Manitoba Product Stewardship Corporation

ANNUAL REPORT

APRIL 1, 1999 TO MARCH 31, 2000

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Chair's Message

As the Manitoba Product Stewardship Corporation completes its fifth year, we can begin to get a better perspective on the direction we have taken with recycling in Manitoba.

I believe the most important perspective is that it works. The amount of material recycled continues to increase — Manitobans want to recycle. The direct cost to local governments for these programs is modest. It is among the lowest in North America, even without quantifying the benefits they derive from waste diversion and reduction. Consumers appear to be tolerant of the funding source for these programs (the 2-cent-per-container levy on beverage containers), provided that funds so raised are directed to waste recycling and reduction.

Another important perspective is that the program is unfolding consistent with the business plan. Although revenue has continued to increase, so have expenditures to fund growth in programs and the consequent growth in tonnage recycled. The Corporation's operating reserve has stabilized and will start to drop in the coming year.

Does this mean that everything is A-OK; that we should rest on our laurels? Hardly! Five years of operating experience does put things in perspective. It also inevitably leads to a re-evaluation of goals, and a more critical appraisal of performance. In this regard, I think we should focus on two areas:

1. How the corporation's efforts relate to the province's waste reduction target, and

2. Equality of coverage.

In the former case, it is clear that municipal recycling programs are diverting a significant volume of waste from disposal facilities. However, it is equally clear that the province's overall target of reducing waste going to final disposal by 50% from 1990 levels by the end of 2000 will not be met. There may be ways that MPSC can work with the province on strategies to meet this target.

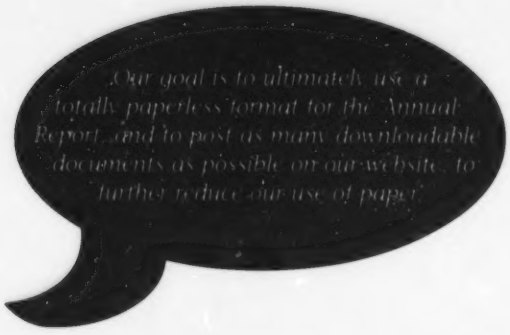
In the latter case, although 95% of Manitobans have access to recycling programs, there continue to be pockets where citizens either do not have access (such as some northern communities) or have less than full access (such as some multi-family buildings). These are two issues staff are hard at work on, and we are expecting further progress in the coming year.

Again this year the performance of the corporation's staff has been outstanding. They are recognized both at home and throughout the country for their recycling expertise. Their efforts are much appreciated. I would also like to thank all members of our Board of Directors for their dedicated service over the past year.

Norman B. Brandson
Chair

General Manager's Report

March 31, 2000 marked the end of the fifth year for the Manitoba Product Stewardship Corporation (MPSC). The original design used for the Annual Report cover is a simple, direct message that highlights why we support recycling Promotion and Education (P & E) directed at all levels of society. A simple, direct message — what a concept! Maybe we should just let the kids do it — adults tend to make things way too complicated.


Our goal is to ultimately use a totally paperless format for the Annual Report, and to post as many downloadable documents as possible on our website, to further reduce our use of paper.

Walking the Walk

In the past, MPSC has produced 750 Annual Reports each year, all in paper format. Each year MPSC receives many compliments about the design and style of these documents and for that we are gratified. While we spend a great deal of time and resources keeping a variety of 3 R's messages in front of our stakeholders, it is important for MPSC not only to talk the talk, but to walk the walk. This year we produced only 250 Annual Reports in paper format, and 500 in CD-ROM format. The annual report will also be available for download at our corporate web site ***www.mpsc.com***, as will a variety of other reports and forms.

Additionally, STAR schools can register online through our educational website at ***www.virtual recycling.com***, and the vast majority of schools have taken advantage of this option.

Our goal is to ultimately use a totally paperless format for the Annual Report, and to post as many downloadable documents as possible on our website, to further reduce our use of paper.

Municipal Residential Recycling

Recovery of eligible material continues to rise. Last year, MPSC paid out almost $4.7 million dollars in Municipal Recycling Support Payments and reported 35,452 tonnes of designated materials recycled. Recovery of designated materials from residential sources equaled 41%. Recovery in Winnipeg remains static, while in other areas of Manitoba recovery is up 20% overall. If municipalities take advantage of new initiatives announced for fiscal 2000/2001, we expect recovery of designated materials will continue to increase.

For the first time MPSC will need to tap its reserve funds to accommodate this expected increase in recovery. Our level of reserve and prudent financial management will allow MPSC to sustain programs and encourage and facilitate continued growth.

Promotion and Education

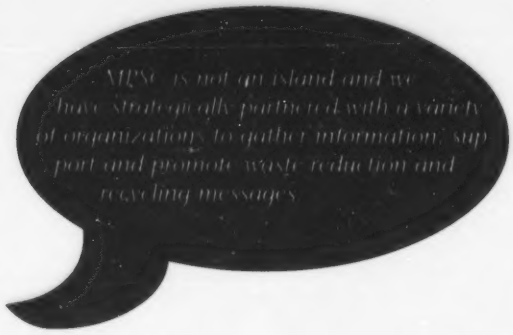
When asked why they have recycling programs, some municipalities acknowledge diversion and extended life of their landfill as the main driver, while others often answer that their residents want recycling. MPSC believes that constant positive messaging is imperative to get waste reduction and recycling into the everyday psyche of Manitobans. We do this through programs like STAR (Student Action for Recycling),

STAR Plus, province-wide media campaigns, local promotion and education tools, recycling workshops, training sessions, various partnerships and technical visits. MPSC is always looking for new and creative ways to keep our messages in front of the public. Our highly successful mini-billboard campaign this year is an example of new and creative tools directed at local community recycling programs. MPSC's P&E programs serve to encourage Manitobans to participate in waste reduction and recycling and feel good about it.

Technical Support and Consulting
Technical support and consulting encompasses many different things. MPSC's technical support to the Pan Am Games proved to be invaluable in instituting a comprehensive recycling program for the event. STAR and STAR Plus schools can count on ongoing advice, information and support materials.

At the community level, MPSC's Municipal Technical Support Team has been very well received. The increase in recovery can be directly attributed to their efforts and experience. Their work includes: assisting in understanding costs, analysis of options, providing information on markets, providing P&E tools and advice, and demonstrating that ongoing promotion and education leads to greater participation and recovery. Many communities have taken advantage of these services and MPSC is committed to making the Technical Support Team available to anyone in the province who requires one-on-one assistance.

This year the ICI Third Party reporting project confirmed several things for us. Companies involved in the ICI sector voluntarily reported


MPSC is not an island and we have strategically partnered with a variety of organizations to gather information, support and promote waste reduction and recycling messages

activity to a third party, resulting in MPSC seeing results in an aggregated fashion. While not all companies participated, we feel that approximately 80-85% of the tonnage is represented. We found out collectively how many tonnes of MPSC designated materials are being collected and recycled from the ICI sector. It demonstrates that recycling is occurring in the ICI (user-pay) sector without MPSC's intervention. We are hoping to track this information annually and gain additional insight about how markets and landfill policies effect ICI recycling.

Partnerships
MPSC is not an island and we have strategically partnered with a variety of organizations to gather information, support and promote waste reduction and recycling messages. Here is a sample:

- City of Winnipeg — Probe Report "Public Attitudes Toward Recycling in Winnipeg"
- City of Winnipeg — Analysis Drop-off Depot Recycling
- Green Procurement Network — Founding Funder
- Resource Conservation Manitoba — Environmental Speakers Bureau, Compost Education

- RCM/MARR Waste Conference — Major Sponsor — Steering Committee Member — Presenter
- Fort Whyte Centre- Earthday
- Environment and Plastics Industry Council (EPIC) — Manitoba Conservation — MRF Fire Safety Seminar
- Environment and Plastics Industry Council (EPIC)- Federation of Canadian Municipalities (FCM) — Manitoba Conservation — City of Winnipeg — National Waste Characterization Model Pilot
- Festival du Voyageur — Festival Recycling Research
- Association of Manitoba Municipalities — Municipal Perceptions of MPSC
- Folk Festival — Reusable Plate Program
- Green Kids — Corporate Sponsor
- Manitoba Eco-Network — Eco Centre Development Project
- Pan Am Games — Financial and Technical Support — Recycling Program
- ICI Sector — Third Party Reporting Initiative
- Manitoba Municipalities — Mini-BillBoard Promotion
- Manitoba Municipal Administrators Association — Conference Sponsor — Presenter

CELEBRATING THE GOOD NEWS!

MPSC is often invited to speak at a variety of events, both locally and nationally. One thing that is apparent is that throughout North America, Manitoba's system is further ahead than most. We know we have got the back end pretty well covered — there isn't a local or municipal government in Canada that would not eagerly jump at $128.00 – $152.00 per tonne for materials recovered from the residential waste stream. But that's only part of what MPSC brings to the dance. Factor in all the free P & E materials and technical support, the school and education programs, and the strategic partnering and on the 3R's front, we don't have to take a back seat to anyone. While MPSC is not a true stewardship program, in that one sector is subsidizing all others, the current model is simple, effective and others have looked at it positively.

As projected, MPSC's much discussed reserves will not last forever, and our most recently presented budget projected a loss. Our level of contingency allows for continued growth, and our sustainability depends on focusing on designated materials and striving for continual improvement and efficiency. MPSC staff is capable, dedicated and hardworking, our Board of Directors provide continued guidance and encouragement, and we are gratified to have a high level of acceptance from our stakeholders.

Our Focus for the Next Year

The major item on our list for 2000/2001 is to develop a 3-year Business Plan. We will begin consultation with our stakeholders and will present a Draft Business Plan to the MPSC Board in December. Once we have Board approval, the plan will be distributed widely for comment. The Business Plan is due to come into effect April 1, 2001.

Jim Fogg
General Manager

Municipal Programs

A Message from the Municipal Programs Manager

Thomas Edison, the man who helped light up our world, once said:

The three great essentials to achieve anything worthwhile are, first, hard work; second, stick-to-itiveness; third, common sense.

These three essentials fit nicely in characterizing the evolution of the MPSC and municipal recycling in Manitoba over the past few years.

First: Hard work was the theme in the early years of the program as municipalities, local recyclers and MPSC's staff and consultants dug deep to get local recycling programs up and running. Second: The same local champions, working with MPSC's staff, demonstrated their "stick-to-itiveness" by facing the challenges presented by "low" market revenues, tipping fee wars and media onslaughts on recycling.

Today, recycling is well established in the province and market revenues are at a high point. Communities and recycling agents are seeing incomes increase substantially and are starting to look for opportunities for expanding their programs.

Edison's third essential is worth emphasizing at this time. Common sense must not be forgotten. Investing in equipment and facilities is not a bad idea when times are good, but decisions must still be made with a long-term view. We know that recycling market revenues will drop again, the media will bash waste reduction initiatives again and individual community recycling programs will falter. Those who made sound business decisions will survive these times. Those lured by visions of spinning garbage into gold or mislead into believing that shiny new recycling equipment will "fix" their program, may not.

Communities around the world are looking at the MPSC funding system with envy. There is certainly a great deal of work to be done but MPSC's Municipal Programs component is well established. With many exciting new initiatives starting this year, we now have the tools, the people and the commitment in place to ensure that community-based recycling programs are here to stay. There is now no reason that a Manitoba community cannot have a successful recycling program and the leading municipal programs are demonstrating how.

We will continue to provide the tools and let local creativity and initiative thrive while working directly with individual communities when they need a little bit of extra help.

Work hard. Stick to it. Use common sense.

MICHAEL FERNANDES
Municipal Programs Manager

REGISTERED MUNICIPALITIES AND COMMUNITIES

Currently, 160 of Manitoba's 202 municipal corporations and another 6 non-municipal communities are officially registered with the MPSC. Over 90% of the province's residents now have recycling opportunities within their community borders.

Full participation by all Manitoba municipalities remains an ongoing objective of the MPSC. Of the 42 remaining municipal corporations, only 2 municipalities have more than 2,000 residents in their community. (According to municipal officials, the residents of non-registered municipalities often use the recycling services offered in neighbouring municipalities.)

This year the MPSC will step up its efforts to work with smaller municipalities and other communities to look for opportunities for establishing local recycling programs.

Participation in the MPSC municipal funding system is voluntary. Manitoba municipalities are not required by regulation to provide recycling services to residents.

Municipality or Community Name	Municipal Population	Collection Point	Recycling Container Type	Number of Recycling Depots
Riding Mountain Park	Seasonal	Drop-off	Depot	1
Whiteshell Park	Seasonal	Drop-off	Depot	4
Victoria Beach, R.M.	196	Drop-off	Depot	5
St. Lazare, village	315	Curbside	Hybrid	0
Cartwright, village	329	Curbside	Bag	1
Oak Lake, town	350	Drop-off	Depot	1
Bowsman, village	382	Curbside	Box	1
Rapid City, town	406	Drop-off	Depot	1
Benito, village	427	Curbside	Box	0
Crystal City, village	437	Drop-off	Depot	1
Lakeview, R.M.	460	Drop-off	Depot	1
Binscarth, village	469	Curbside	Box	1
Hartney, town	477	Curbside	Box–Bag	1
Clanwilliam, R.M.	481	Drop-off	Depot	1
Wawanesa, village	482	Drop-off	Depot	1
Ellice, R.M.	494	Drop-off	Depot	1
Somerset, village	496	Curbside	Bag	1
Elkhorn, village	505	Drop-off	Depot	1
Grand Rapids, town	506	Not started	None	0
Odanah, R.M.	519	Drop-off	Depot	0
Cameron, R.M.	538	Drop-off	Depot	2
Erickson, town	544	Drop-off	Depot	1
Minitonas, town	544	Curbside	Box	0
McCreary, village	554	Drop-off	Depot	1
Arthur, R.M.	581	Drop-off	Depot	0
Riverton, village	584	Drop-off	Depot	1
Rossburn, town	609	Curbside	Bag	1
St. Claude, village	613	Drop-off	Depot	1
Notre Dame de Lourdes, village	614	Curbside	Bag	1
Gretna, town	620	Drop-off	Depot	1
Winnipeg Beach, town	641	Drop-off	Depot	3
Blanshard, R.M.	643	Drop-off	Depot	3
Lawrence, R.M.	648	Drop-off	Depot	2
Rossburn, R.M.	658	Drop-off	Depot	0
Treherne, village	661	Drop-off	Depot	1
Minto, R.M.	665	Drop-off	Depot	1
Glenboro, village	674	Curbside	Box	1
Plum Coulee, village	676	Curbside	Hybrid	0
Shoal Lake, R.M.	703	Curbside	Box	3
Emerson, town	721	Curbside	Bag	0
Glenwood, R.M.	722	Drop-off	Depot	1
Powerview, village	736	Curbside	Bag	0
Gilbert Plains, village	741	Drop-off	Depot	1

Municipality or Community Name	Municipal Population	Collection Point	Recycling Container Type	Number of Recycling Depots
Pilot Mound, town	747	Curbside	Box–Bag	1
Pine Falls	750	Curbside	Bag	0
Sifton, R.M.	769	Drop-off	Depot	1
Winnipegosis, village	771	Drop-off	Depot	1
Shoal Lake, town	784	Curbside	Box	6
Whitewater, R.M.	787	Drop-off	Depot	1
Birtle, town	802	Curbside	Hybrid	1
Manitou, village	811	Drop-off	Depot	1
Hamiota, town	823	Drop-off	Depot	1
Morton, R.M.	848	Drop-off	Depot	0
MacGregor, village	852	Curbside	Bag	1
South Cypress, R.M.	862	Drop-off	Depot	0
Grandview, town	870	Curbside	Bag	1
Strathcona, R.M.	878	Drop-off	Depot	1
St. François-Xavier, R.M.	898	Drop-off	Depot	2
Harrison, R.M.	900	Curbside	Bag	2
St. Pierre-Jolys, village	907	Curbside	Bag	1
Gladstone, town	928	Drop-off	Depot	1
Roblin, R.M.	954	Curbside	Hybrid	1
Roland, R.M.	968	Curbside	Bag	1
Eriksdale, R.M.	977	Drop-off	Depot	1
Oakland, R.M.	990	Drop-off	Depot	1
Lansdowne, R.M.	999	Drop-off	Depot	1
Ste. Rose Du Lac, town	1,008	Drop-off	Depot	1
Teulon, town	1,016	Curbside	Bag	0
Arborg, town	1,039	Curbside	Box	1
Deloraine, town	1,045	Curbside	Bag	1
Miniota, R.M.	1,048	Curbside	Hybrid	5
Woodworth, R.M.	1,051	Drop-off	Depot	6
Strathclair, R.M.	1,055	Drop-off	Depot	4
Rivers, town	1,076	Drop-off	Depot	2
Lac Du Bonnet, town	1,089	Curbside	Box	1
Melita, town	1,134	Curbside	Bag	1
Turtle Mountain, R.M.	1,142	Drop-off	Depot	0
Churchill, town	1,143	Curbside	Bag	3
Louise, R.M.	1,147	Drop-off	Depot	1
South Norfolk, R.M.	1,234	Drop-off	Depot	2
Thompson, R.M.	1,262	Curbside	Hybrid	2
Reynolds, R.M.	1,297	Drop-off	Depot	7
Argyle, R.M.	1,307	Curbside	Box	1
Elton, R.M.	1,322	Drop-off	Depot	3
Park, R.M.	1,330	Drop-off	Depot	1
Rosser, R.M.	1,364	Drop-off	Depot	2
Coldwell, R.M.	1,394	Curbside	Bag	4
Victoria, R.M.	1,405	Drop-off	Depot	2
Ste. Anne, town	1,477	Curbside	Box–Bag	0
Carberry, town	1,481	Curbside	Bag	1
Boissevain, town	1,484	Curbside	Box	1
Stuartburn, R.M.	1,517	Drop-off	Depot	1
Niverville, town	1,530	Curbside	Box	0
Siglunes, R.M.	1,560	Not started	None	0
Gimli, town	1,579	Curbside	Bag	2
Headingley, R.M.	1,603	Curbside	Box	0
Montcalm, R.M.	1,606	Curbside	Bag	2
Leaf Rapids, town	1,613	Not started	None	0
Morris, town	1,616	Curbside	Box	1
Russell, town	1,616	Curbside	Box	1
Franklin, R.M.	1,651	Curbside	Box	4
Souris, town	1,662	Curbside	Bag	1
Whitemouth, R.M.	1,714	Curbside	Bag	2
Pinawa, L.G.D.	1,806	Drop-off	Depot	1
Grahamdale, R.M.	1,812	Curbside	Bag	4

Municipality or Community Name	Municipal Population	Collection Point	Recycling Container Type	Number of Recycling Depots
Roblin, town	1,838	Drop-off	Depot	1
Armstrong, R.M.	1,888	Drop-off	Depot	3
Wallace, R.M.	1,889	Drop-off	Depot	3
Gillam, town	1,893	Not started	None	0
Pembina, R.M.	1,928	Drop-off	Depot	4
North Cypress, R.M	2,028	Drop-off	Depot	3
La Broquerie, R.M.	2,038	Curbside	Box	1
Mountain, R.M.	2,043	Drop-off	Depot	1
Grey, R.M.	2,104	Curbside	Hybrid	2
Lorne, R.M.	2,128	Drop-off	Depot	4
Killarney, town	2,163	Drop-off	Depot	1
Lac Du Bonnet, R.M.	2,218	Drop-off	Depot	2
Alexander, R.M.	2,399	Drop-off	Depot	9
Dufferin, R.M.	2,403	Drop-off	Depot	0
Peguis First Nation	2,479	Not started	None	0
Minnedosa, town	2,526	Drop-off	Depot	1
Carman, town	2,595	Curbside	Bag	2
Berens River First Nation	2,600	Not started	None	0
Beausejour, town	2,651	Curbside	Box	1
Beausejour, town	2,651	Curbside	Box	1
Dauphin, R.M.	2,669	Drop-off	Depot	0
Gimli, R.M.	2,737	Drop-off	Depot	13
Bifrost, R.M.	2,750	Drop-off	Depot	1
Virden, town	2,894	Drop-off	Depot	2
Swan River, R.M.	2,947	Drop-off	Depot	1
North Norfolk, R.M.	2,967	Curbside	Bag	2
De Salaberry, R.M.	2,985	Curbside	Bag	2
Stonewall, town	2,997	Curbside	Bag	0
Kelsey, R.M	3,037	Drop-off	Depot	1
Altona, town	3,060	Curbside	Box-Bag	1
Cartier, R.M.	3,115	Drop-off	Depot	5
Sagkeeng First Nation	3,167	Not started	None	0
Neepawa, town	3,258	Curbside	Box	2
Brokenhead, R.M.	3,310	Drop-off	Depot	1
Woodlands, R.M.	3,334	Curbside	Bag	0
West St. Paul, R.M.	3,658	Curbside	Bag	2
Ste. Anne, R.M.	3,810	Curbside	Box	0
Swan River, town	3,917	Curbside	Box	0
MacDonald, R.M.	3,999	Curbside	Box	2
Rhineland, R.M.	4,150	Drop-off	Depot	5
Cornwallis, R.M.	4,216	Drop-off	Depot	0
Stanley, R.M.	4,558	Curbside	Bag	0
Ritchot, R.M.	5,146	Curbside	Box	0
Morden, town	5,273	Curbside	Box	1
East St. Paul, R.M.	5,820	Curbside	Box	1
The Pas, town	6,166	Not started	None	0
Winkler, town	6,397	Curbside	Box	1
Rockwood, R.M.	6,990	Curbside	Bag	9
Flin Flon, city	7,119	Drop-off	Depot	2
Portage La Prairie, R.M.	7,156	Drop-off	Depot	4
Taché, R.M.	7,576	Curbside	Bag	4
St. Clements, R.M.	7,870	Drop-off	Depot	5
Steinbach, city	8,213	Curbside	Box	1
Dauphin, city	8,453	Drop-off	Depot	1
Hanover, R.M.	8,889	Curbside	Box	3
St. Andrews, R.M.	9,461	Drop-off	Depot	2
Selkirk, town	9,815	Curbside	Bag	1
Springfield, R.M.	11,102	Curbside	Box	1
Portage La Prairie, city	13,186	Curbside	Box	2
Thompson, city	14,977	Curbside	Box	6
Brandon, city	38,573	Drop-off	Depot	8
Winnipeg, city	615,187	Curbside	Box	6

Note: *The information presented above is based on information provided by participating municipalities through surveys conducted by the MPSC. Changes may have occurred in individual programs since communities were last surveyed.*

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IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

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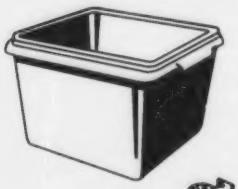
MANITOBA'S DIVERSE MUNICIPAL RESIDENTIAL RECYCLING PROGRAMS

At the end of the 1999/2000 fiscal year there were 157 community recycling programs in operation. There are 9 communities registered with the MPSC that currently have programs in the planning stages or have yet to file reports with the MPSC.



CURBSIDE BOX PROGRAMS

Number of Communities with Curbside Box Recycling Service = 36

Total Population in Communities with Curbside Box Programs = 736,542

Total Number of Manitoba Households Serviced by Curbside Box = 198,653

Total Drop-off depot locations in communities with Curbside Box Pickup = 53

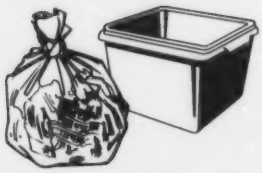
CURBSIDE BAG PROGRAMS

Number of Communities with Curbside Bag Recycling Service = 33

Total Population in Communities with Curbside Bag Programs = 71,813

Total Number of Manitoba Households Serviced by Curbside Bag = 20,311

Total Drop-off depot locations in communities with Curbside Bag Pickup = 53



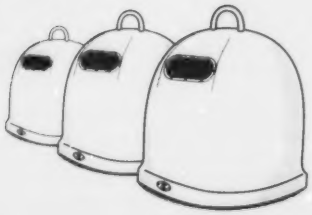
CURBSIDE HYBRID PROGRAMS (No specified collection container)

Number of Communities with Curbside Hybrid Service = 7

Total Population in Communities with Curbside Hybrid Programs = 7,161

Total Number of Manitoba Households Serviced by Curbside Hybrid = 1,112

Total Drop-off depot locations in communities with Curbside Hybrid = 11



DROP-OFF DEPOT PROGRAMS

Number of Communities with Drop-off Depot service = 81

Total Population in Communities with drop-off Depot programs = 175,799

Total Drop-off Depot locations in communities without Curbside = 164

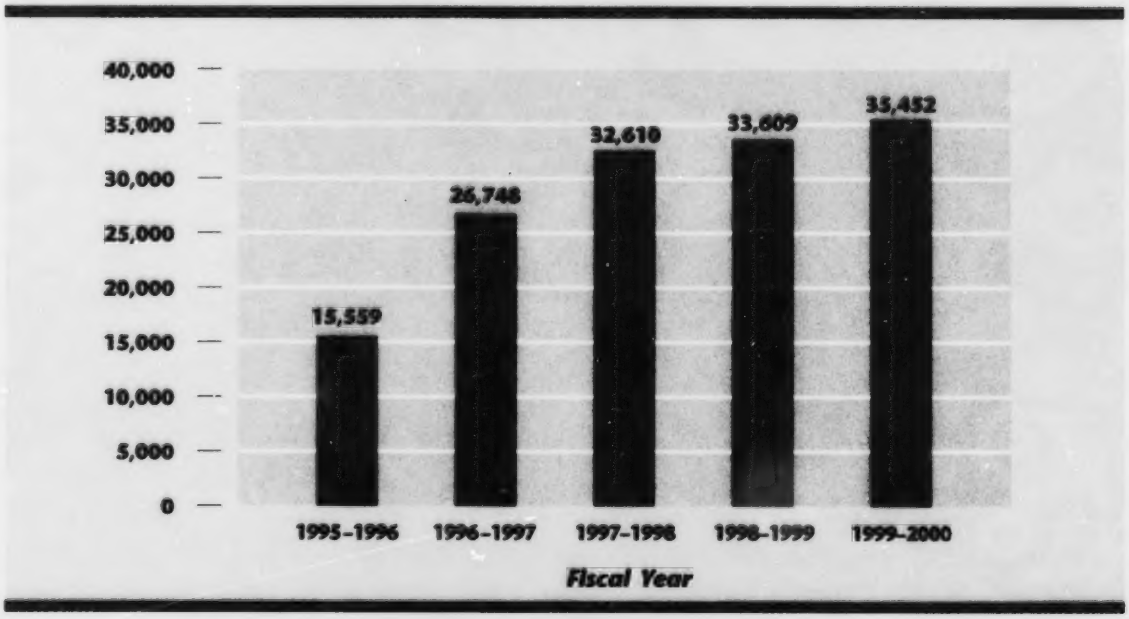
Total Number of Drop-off Depots throughout Manitoba = 281

RECOVERY OF MPSP (MANITOBA PRODUCT STEWARDSHIP PROGRAM) MATERIALS FROM RESIDENTIAL SOURCES

Approximately 35,452 metric tonnes of MPSC-eligible materials were recycled in the 1999/2000 fiscal year by participating community recycling programs. This recovery amount includes only the MPSC-eligible materials collected, processed and marketed by participating communities. It *does not include* the reported "residue" from recycling programs that was unrecyclable and sent to local disposal grounds.

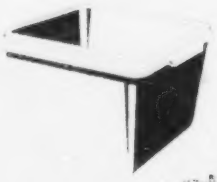
This year's recovery number includes all the corrugated cardboard (OCC) collected by participating municipal recycling programs. MPSC caps the amount of OCC that can be claimed for support payments by participating municipalities.

Chart 1 — Recovery of Residential Materials in Tonnes



MANITOBA'S DIVERSE MUNICIPAL RESIDENTIAL RECYCLING PROGRAMS

At the end of the 1999/2000 fiscal year there were 157 community recycling programs in operation. There are 9 communities registered with the MPSC that currently have programs in the planning stages or have yet to file reports with the MPSC.



CURBSIDE BOX PROGRAMS

CURBSIDE BAG PROGRAMS

CURBSIDE HYBRID PROGRAMS (No specified collection container)

DROP OFF DEPOT PROGRAMS

One step back, two steps forward

During the 1999/2000 fiscal year, two local recycling programs were reported as having stopped operation.

In one community, recycling services were stopped for less than two months as the municipality changed contractors after negotiations with the previous recycler failed. MPSC worked closely with the community to assess the local recycling economics and evaluate options for restructuring the program. The community's curbside recycling service was reinstated and is currently establishing itself as one of the more cost-effective programs in the province.

In the second instance, the local recycling group continued to collect and process recyclables until very recently. MPSC helped to identify the problems that caused the program to fail. The community is currently replacing the old inadequate recycling facility and expects to have the recycling program back in operations this year. MPSC has committed to providing further technical support once the municipality is prepared to move forward.

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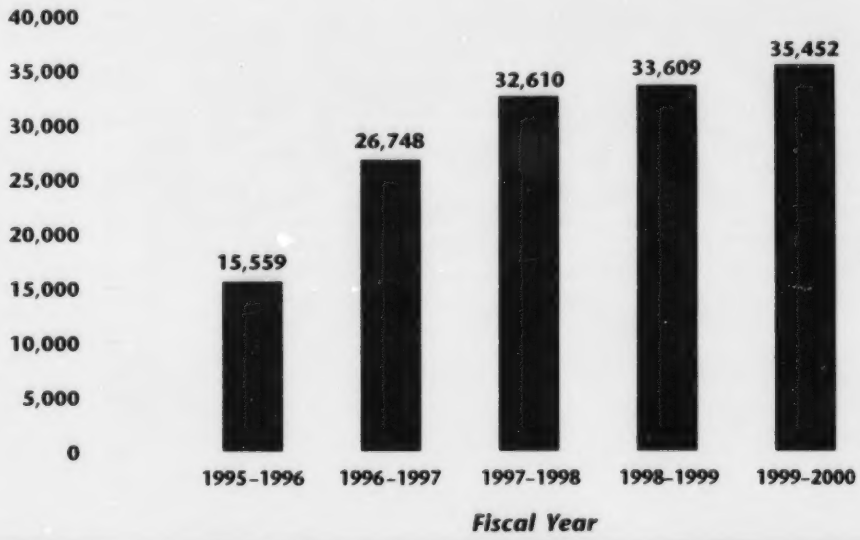
This year's recovery number includes all the corrugated cardboard (OCC) collected by participating municipal recycling programs. MPSC caps the amount of OCC that can be claimed for support payments by participating municipalities.

Residue is an unfortunate, but real part of all recycling systems. A small amount of the material collected from householders is simply not recyclable, whether due to technological or economic limitations (ex. not all plastics can be recycled) or spoilage of materials (ex. paper that has paint residues on it). Community recycling programs must deal with this waste just like any other garbage.

MPSC allows participants to claim a reasonable amount of their residue (up to 5% of total materials reported). The allowable amount is kept low to encourage communities to instruct residents on proper local recycling procedures.

Chart 1 — Recovery of Residential Materials in Tonnes



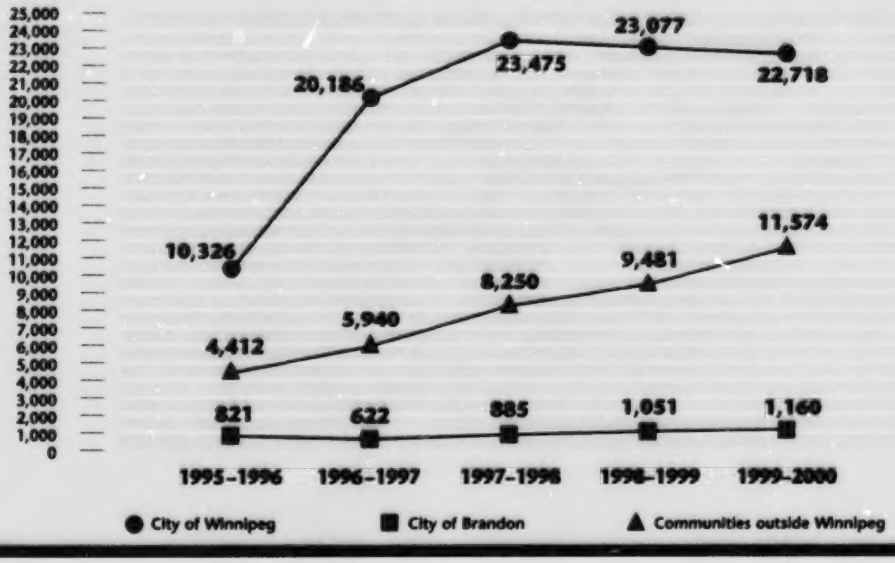
Over 143,978 metric tonnes of residential materials have been recycled by MPSC participants since 1995.

RESIDENTIAL RECYCLING TRENDS IN PARTICIPATING MUNICIPALITIES

Recovery outside of Winnipeg continues to increase steadily — up 21% from the amount reported in the previous fiscal year. Recovery of *MPSC-eligible materials* in the City of Winnipeg has decreased by approximately 2%.

One explanation for the difference between growth rates in and outside of Winnipeg may be that the City faces more obstacles in increasing participation. In many communities outside of Winnipeg, word of mouth, peer pressure and local media reports are a powerful tool for influencing resident participation. In Winnipeg, where the large population is comprised of many diverse groups and residents are bombarded by advertising from all kinds of media, the difficulties of soliciting and keeping public support for recycling is magnified and requires a higher degree of attention. In this respect, Winnipeg faces the same challenges as those faced by other large cities across North America. Aggressive promotion and education initiatives, improved access to recycling services in multi-family dwellings, and the use of economic incentives (user pay systems), are the tools that have been used in other cities to increase recovery rates.

Chart 2 — Residential Recycling Trends



Community Category	99/00 Recovery	Change from Previous Year	Estimated Generation	Current Recovery
City of Winnipeg	22,718	Down 2%	53,156	43%
City of Brandon	1,160	Up 10%	2,854	41%
All other registered communities	11,574	Up 22%	30,873	38%
Overall	**35,542**	**UP 5%**	**86,883**	**41%**

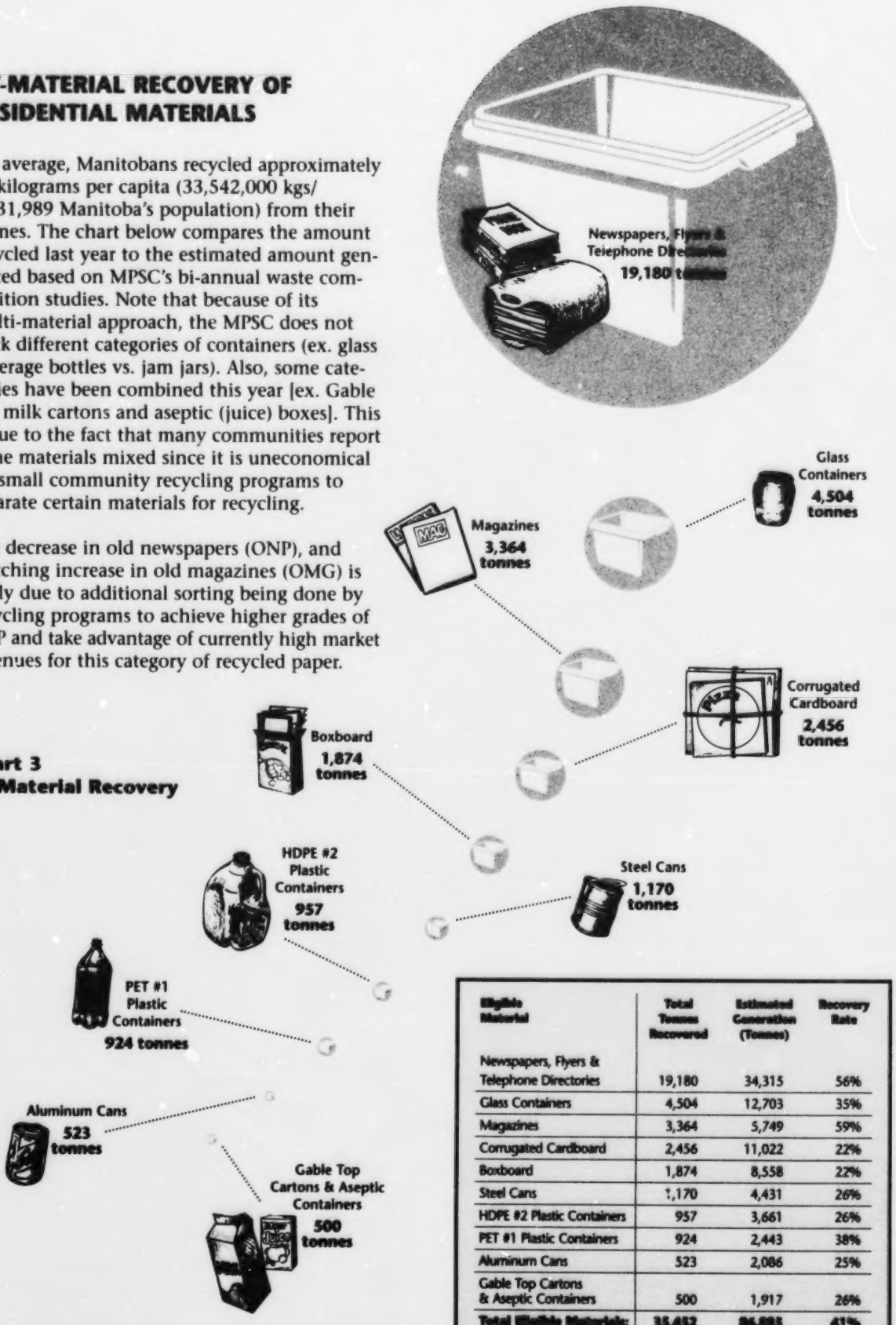
Note: *Estimated generation in Brandon has been calculated using the average per capita generation for rural Manitoba (as determined through 1998 MPSC Rural Waste Composition Study) multiplied by the population.*

BY-MATERIAL RECOVERY OF RESIDENTIAL MATERIALS

On average, Manitobans recycled approximately 30 kilograms per capita (33,542,000 kgs/ 1,131,989 Manitoba's population) from their homes. The chart below compares the amount recycled last year to the estimated amount generated based on MPSC's bi-annual waste composition studies. Note that because of its multi-material approach, the MPSC does not track different categories of containers (ex. glass beverage bottles vs. jam jars). Also, some categories have been combined this year [ex. Gable top milk cartons and aseptic (juice) boxes]. This is due to the fact that many communities report some materials mixed since it is uneconomical for small community recycling programs to separate certain materials for recycling.

The decrease in old newspapers (ONP), and matching increase in old magazines (OMG) is likely due to additional sorting being done by recycling programs to achieve higher grades of ONP and take advantage of currently high market revenues for this category of recycled paper.

Chart 3
By-Material Recovery



Eligible Material	Total Tonnes Recovered	Estimated Generation (Tonnes)	Recovery Rate
Newspapers, Flyers & Telephone Directories	19,180	34,315	56%
Glass Containers	4,504	12,703	35%
Magazines	3,364	5,749	59%
Corrugated Cardboard	2,456	11,022	22%
Boxboard	1,874	8,558	22%
Steel Cans	1,170	4,431	26%
HDPE #2 Plastic Containers	957	3,661	26%
PET #1 Plastic Containers	924	2,443	38%
Aluminum Cans	523	2,086	25%
Gable Top Cartons & Aseptic Containers	500	1,917	26%
Total Eligible Materials:	**35,452**	**86,885**	**41%**

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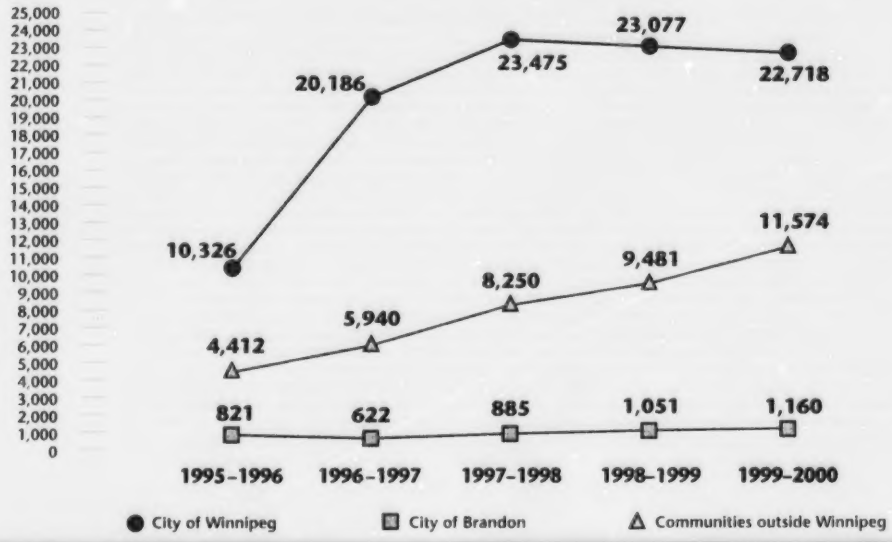
Because MPSC does not track the destination of Winnipeg's ineligible materials, the recovery numbers are not included in our statistics, nor does Winnipeg receive payment for these materials through the MPSC system. Winnipeg is currently implementing controls that will allow the eligible portion of these materials (flyers, inserts, etc.) to be tracked appropriately.

Chart 2 — Residential Recycling Trends



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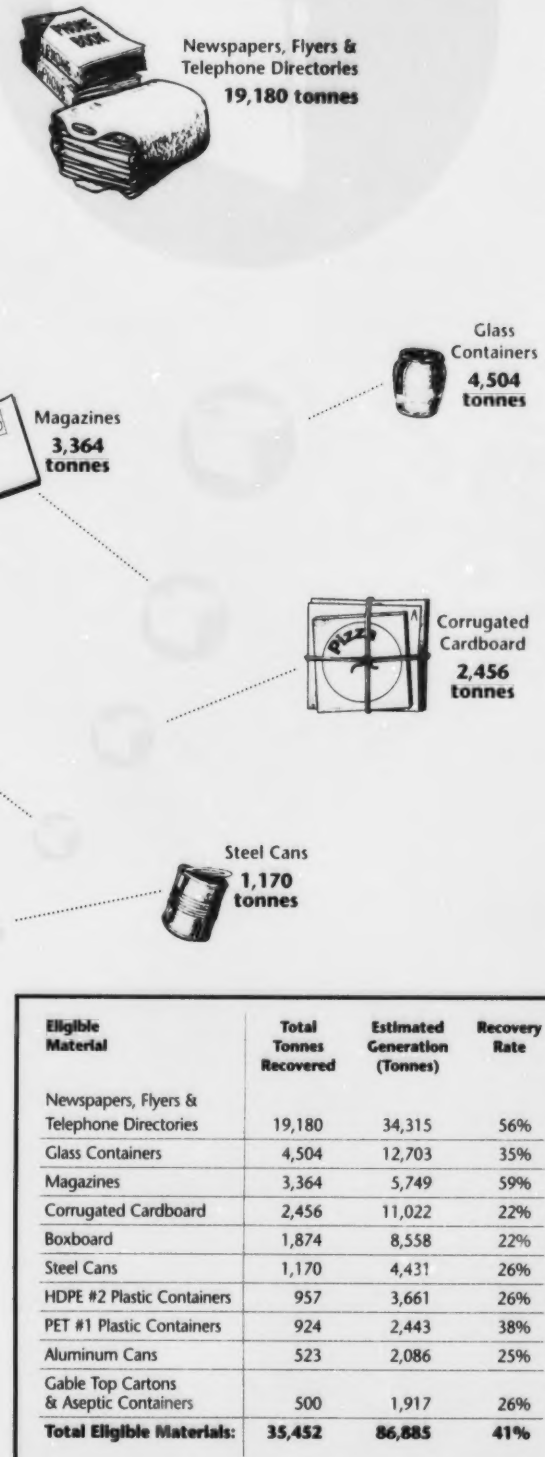

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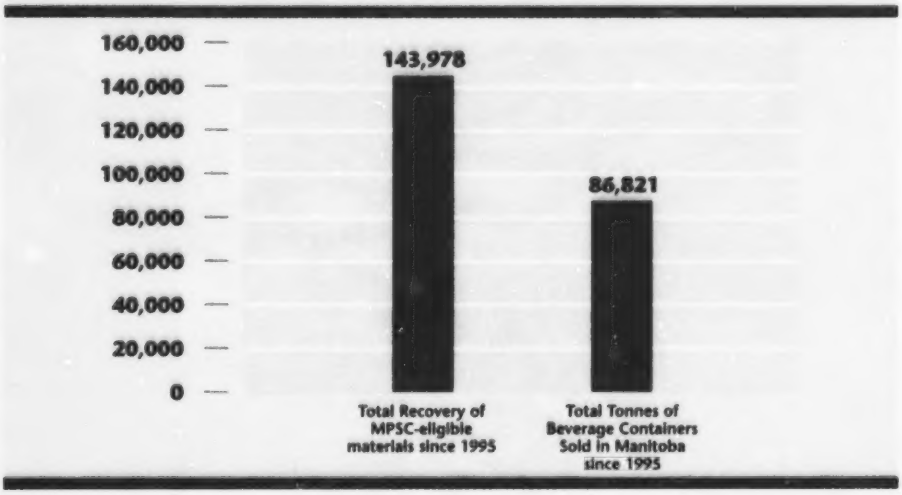
The MPSC municipal support payment system is based on a multi-material approach to maximizing the amount of material recovered from the municipal waste stream. The objective of the program is to capture as much "designated" recyclable materials as possible through the same system and infrastructure in order to maximize efficiency. This is especially important in Manitoba due to the large number of very small communities.

The question often asked is why not a deposit-return system for Manitoba's beverage containers instead? The chart below plots the maximum amount of beverage containers sold in Manitoba since 1995 against the amounted recycled through MPSC's municipal funding system over the same time period. The gap is expected to widen as recovery rates continue to increase in participating municipalities.

Chart 3 — Recovery of MPSC-Eligible Materials & Beverage Containers Sold (totals in tonnes since 1995)



Previous MPSC Annual Reports included only designated materials that were collected from participating municipal household recycling programs throughout Manitoba. However, a great deal of designated material recycling activity takes place outside of residential programs, including material recycled by Manitoba businesses, schools, consumers and organizations directly to brokers or fundraising activities (ex. Aluminum cans).

This past year, MPSC worked with Manitoba's recycling sector to measure the amount of designated materials that were recycled outside of municipal programs over the 1999-2000 fiscal year. The results of the Commercial Recycling Survey are presented on page 22 of this Annual Report. The table below identifies overall recovery rates of two categories of eligible materials which are manufactured as packaging for beverage containers. The results confirm that the total amount of beverage containers recycled in the province is higher than the residential numbers would suggest.

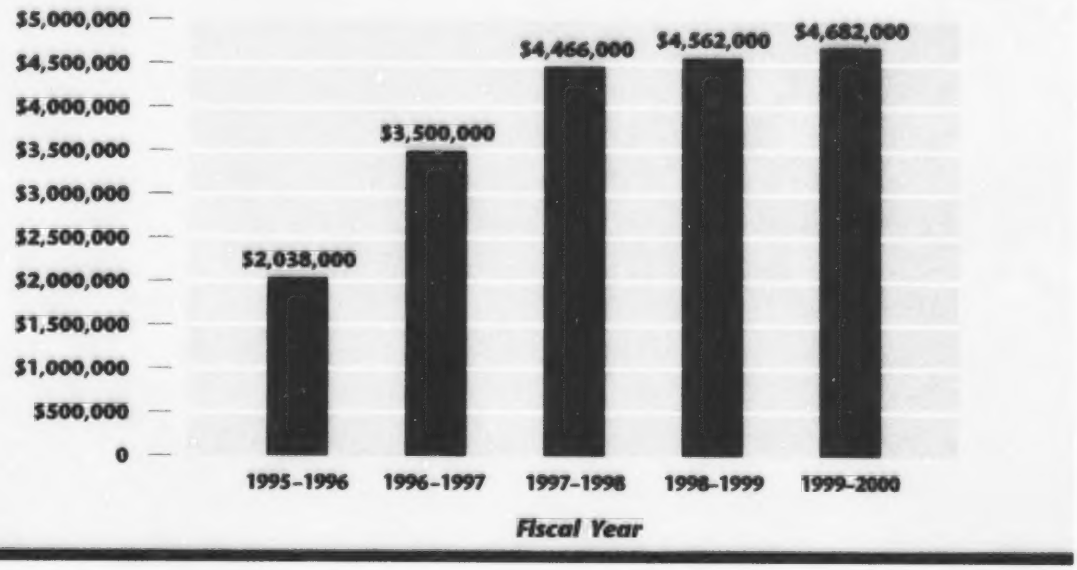
	Overall Recovery Rate
Aluminum Containers	61%
PET Plastic Containers	41%

MUNICIPAL RECYCLING SUPPORT PAYMENTS

The MPSC uses an incentive-based funding system to provide financial support to community recycling programs. Municipal recycling support payments are directly related to the amount of material a community recycles. Approximately $4.68 million was paid to registered participants in the 1999/2000 fiscal year.

Over $19.2 million dollars have been invested by the MPSC to support residential recycling programs across the province since 1995.

Chart 4 — Municipal Recycling Support Payments



COST PERFORMANCE STATISTICS

Average cost per tonne:
$132/tonne
($4.682M/35,452 metric tonnes)

Average cost per household:
$11/year
($4.682M/421,000 households)

Cost per capita:
$4.20/person yearly
($4.682/1,113,898 population)

In comparison, the average cost of solid waste collection and disposal in Manitoba municipalities has been estimated at $64/household per year. (Source: *Regional Waste Management in Manitoba: Integrated Waste Management Issues & Opportunities Discussion Document, May 1999*.)

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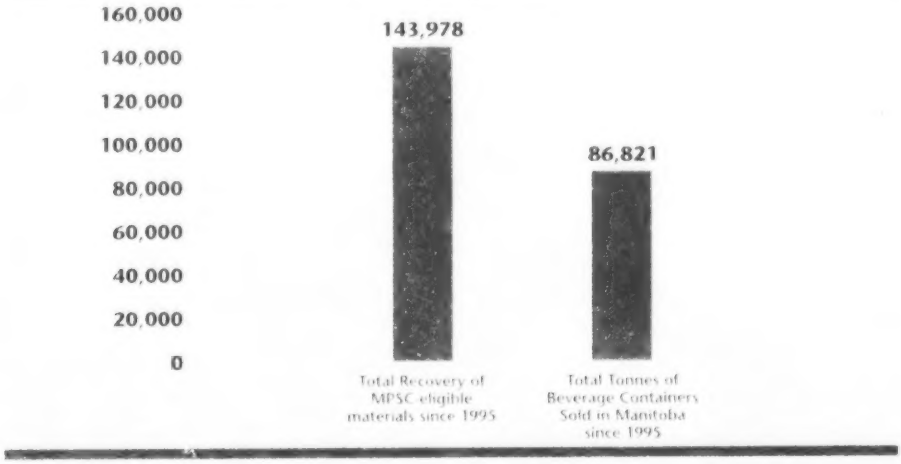

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	Overall Recovery Rate
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PET #1 Plastic Containers	41%

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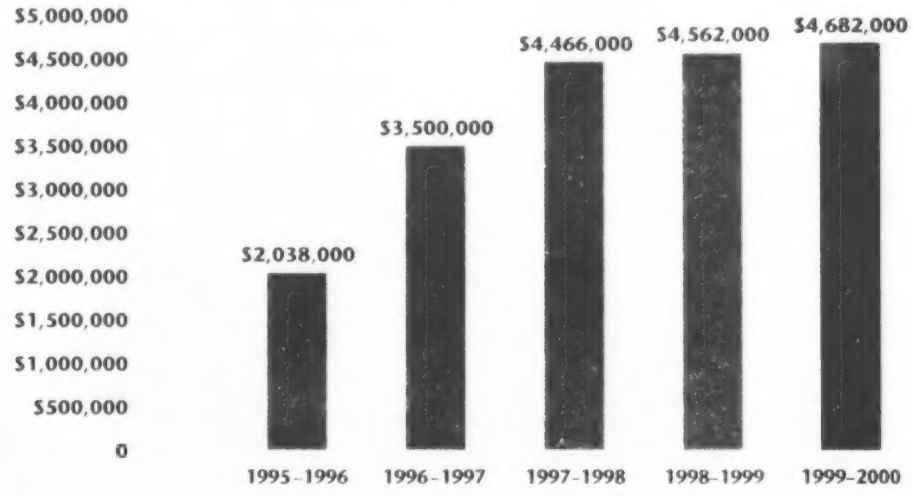

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MUNICIPAL RECYCLING PROGRAM COSTS & ECONOMIC TRENDS

The level of MPSC support paid to municipalities is re-evaluated annually based on results of cost monitoring studies contracted by the MPSC. This year, the cost of recycling in 52 participating communities was analyzed. The sample group was selected to represent a cross-section of Manitoba communities based on factors such as population size and density, geographic region and recycling system type. The following components of municipal costs were analyzed in the study:

1. Operating costs — collection, processing, equipment maintenance, hauling costs paid by municipalities, market revenues received by municipalities.

2. Overhead costs — amortized cost of capital (buildings, equipment), administration costs, promotion and education expenditures.

For many of the participating municipalities surveyed, some or all of these cost components are included in the fee charged by the contracted recycling agent.

To encourage cost-efficiency in delivering local recycling programs, a fundamental principle of the MPSC system is that municipalities hold a financial stake in local recycling program costs (at least 20%).

1999 Cost Monitoring Study: Key Statistics

- The average cost of recycling one tonne of recyclable materials was $193/tonne. (Total municipal recycling costs divided by total tonnes recycled in sample group.) The median cost was $202/tonne.
- The cost of recycling in the municipalities that were part of the 1998 Cost Monitoring Study decreased, on average, by about 12% since last year.
- The direct cost to municipalities of hauling materials collected in their communities to central brokers/processors amounted to less than 3% of total expenditures in the recycling programs sampled.

The table below illustrates once again the clear correlation that has been found between recovery levels and recycling costs in the municipalities sampled. In general, programs with lower recovery rates tend to have higher costs. Two factors are at play here. Most importantly, the larger the amount of total materials collected by a municipality the more the fixed costs of operating a recycling program can be spread out. This reinforces the need for communities to properly match their recycling infrastructure investments to the size of the community. Second, even when investments match volumes *available* for recycling, low per capita recovery rates tend to result in higher costs for municipal programs.

Program Cost Categories	Median Total Recovery (tonnes)	Median Recovery Per Person (kgs)
$100 to $150/tonne	246 MT	45 kgs
$151 to $190/tonne	192 MT	44 kgs
$191 to $250/tonne	70 MT	32 kgs
>$250/tonne	44 MT	28 kgs

In addition to measuring recycling costs to municipalities, MPSC's cost monitoring studies also analyze the costs of processing recyclable materials collected in participating municipalities outside of Winnipeg. This year 14 local and regional processors were sampled to determine cost trends in Manitoba's rural recycling system infrastructure. The sampled processors were also chosen to represent a cross-section based on factors such as throughput, local vs. regional and profit vs. non-profit facilities. Those studied range in "size" from small local processing facilities handling 136 metric tonnes to larger regional centers handling 2,084 metric tonnes last year. Key results are as follows:

- The median net cost of processing MPSC-eligible recyclable materials was $109/tonne. Only one processing facility had processing costs of over $300/tonne.
- Generally, the higher the volume processed, the lower the cost per tonne.
- The trends since 1997 include: higher throughput (volume processed in each facility), higher productivity (measured as kgs processed per staff hour) and lower cost/tonne.

The results of the 1999 Cost Monitoring Study confirm that as Manitoba's municipal recycling infrastructure matures and recovery increases, the cost per tonne is headed in the right direction — down.

MPSC's Municipal Programs Team Activities — Helping Communities Help Themselves

After five years of working with Manitoba municipalities in developing their local recycling systems, it has become evident that there are four basic factors that are present in the communities with the most successful recycling programs. These include:

1. A high degree of commitment to the local recycling program from the ground up (residents) and the top down (elected officials).

2. A business-minded approach to all aspects of the local recycling program (operations, marketing of materials, managerial decisions, etc).

3. High recovery brought about through attention to convenience/accessibility, customer service, clear and regular promotion and education.

4. Regular, open and ongoing communication between municipal representatives, the local recycling agent, residents and local media as well as the MPSC.

The activities of the MPSC's municipal programs team are centered around helping communities drive their local programs forward. As the saying goes... "teach a (person) to fish and you have fed them for their whole lives". It is an approach that has worked since the beginning of the MPSC, as evidenced by the results shown each year in the pages of the MPSC annual report. Details of the projects and tasks undertaken by the team are described in other parts of this Annual Report. The diagram below summarizes the various components of MPSC's *community-based* approach to maximizing the potential of household recycling in the province.

MPSC's municipal technical support team

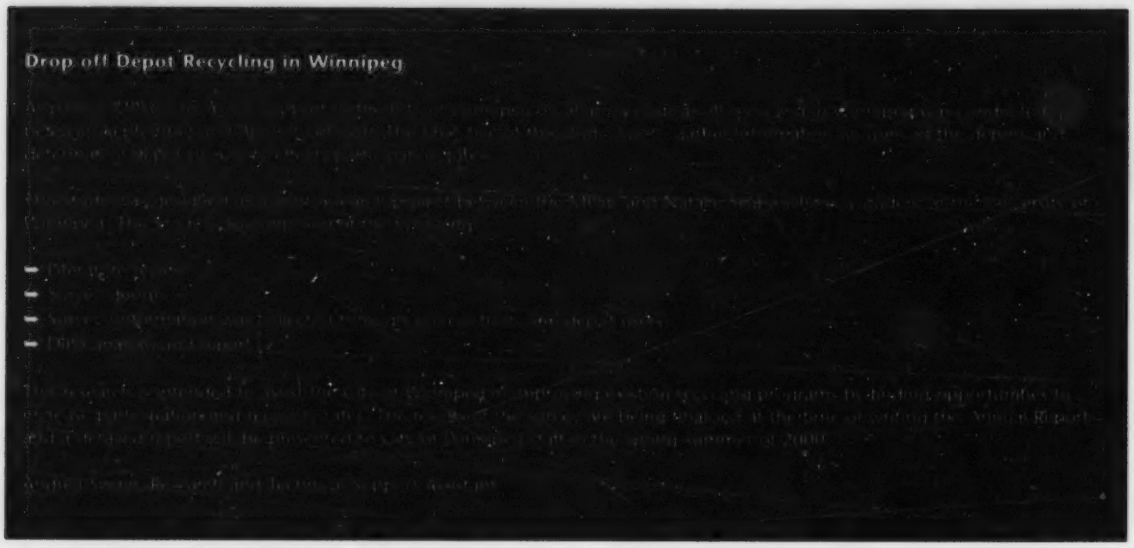
Michael Fernandes → manager

David Crawford → recycling operations, markets

Lynne Bereza → promotion and education, training and workshops

Andrea Swain → research, promotion, education support

Nikki Borkoski → database, information management



Annual Projects

- MPSC Recycling Workshops
- 1999 Community Recycling Reports
- 1999 Regional Recycling Reports
- Compliance monitoring and review of municipal reporting procedures
- Liaison with local recycling stakeholders
  - Association of Manitoba Municipalities (AMM)
  - Manitoba Municipal Administrators Association (MMAA)
  - Manitoba Association of Regional Recyclers (MARR)
  - Indian & Northern Affairs Canada — Manitoba Division

LOOKING AHEAD TO 2000/2001

We have a number of new initiatives planned for this year that will make it even easier for participating municipalities to deliver effective and efficient recycling services, including:

1. MPSC has raised the allowable corrugated cardboard (OCC) limit from 10% to 25%. This means that for every 10 metric tonnes of other eligible material a community recycles, we will pay for up to 2.5 tonnes of OCC.

2. More FREE promotion and education materials tailor-made for participating communities. Last year we sent communities "mini-billboard" to get the recycling message across to residents. This year we will be offering FREE decals, magnets and brochures for communities to distribute to their residents.

3. Even more one-on-one technical support including *new* regional meetings, promotion and education quarterly updates, technical bulletins and OCC payment inserts.

A major part of this coming year will also be spent on developing the next business plan for the MPSC. Our goal is to continue to develop Manitoba's successful stewardship model. We will take a balanced and measured approach to ensure that what got us here is not lost in the shuffle.

Promotion and Education (P & E) Programs

MPSC PLACES A STRONG FOCUS on promotion and education programs throughout Manitoba's recycling communities. Without regular, consistent and positive recycling and waste reduction messages, recycling participation and capture of recyclable materials is compromised. Over the past year, emphasis has been placed, in a number of ways, on communicating to participating communities that the public needs to know not just how and when to recycle, but why. As recycling becomes commonplace, it is key that people understand what the benefits of recycling are, to themselves, their neighbourhoods and the global community.

In the 1999/2000 fiscal year, MPSC maintained its emphasis on P & E by addressing a variety of audiences. These include municipalities, the general public, schools, post-secondary institutions and other stakeholders. Messages are directed to these audiences in diverse ways, but with the same end result in mind. By keeping recycling and waste reduction messages in the forefront of people's minds, they can make clear choices based not just on what they are told is right, but based on what they know and understand to be right. This is, of course, that recycling is a viable, valuable and worthwhile effort that will benefit current and future generations and enhance our quality of life.

Lynne Bereza
Promotion & Education Coordinator

Katherine Young
Ecole Bonaventure
Selkirk, MB

Caleigh Christie
Falcon Beach School
Falcon Beach, MB

LOCAL/MUNICIPAL

As always, MPSC continued to stand by a number of time tested tools that are useful in community promotion and education, while delivering numerous "new" tools and initiatives. Last year, a theme was developed to encourage participating municipalities and recyclers to explain to the public what recycling is, what the benefits are and why it is important.

In the spring of 1999, MPSC partnered with the City of Winnipeg to undertake a comprehensive study of Winnipeg's attitude towards and understanding of the City's blue box recycling program. Initially, a quantitative telephone survey was taken of 1,000 people in the City of Winnipeg, asking them a variety of questions about their understanding of recycling and their opinions of its worthiness. Through this survey, our previous belief that there are two audiences who require recycling messages — those who recycle and those who do not — was proved false. There were in fact 4 distinct categories of people identified, all with varying attitudes and beliefs about recycling, and various levels of participation. A series of focus groups was then held, so that in-depth question and discussion could take place with these 4 groups.

Information gathered from this survey was invaluable to MPSC's Promotion and Education activities in 1999/2000. This information was presented to those in attendance at a series of annual ***MPSC Recycling Workshops*** held in October 1999. By hearing about some of the beliefs and misconceptions discovered through the survey, municipalities and recyclers now understand that the different groups of people in their community may require varying messages, rather than a "one-size-fits-all" approach. The P & E portion of the Workshops also dealt with some constants, such as ensuring recycling facilities have adequate signage, and the importance of providing excellent customer service.

A secondary theme that came across last year was through the message ***"If You're Not Recycling, You're Throwing It All Away."*** First seen on billboards across Manitoba, poster size, bilingual versions proved to be very popular with all audiences. So much so that, during the Recycling Workshops, a request was made that a smaller version of this message be produced for those communities without billboards. Thus, the 4' x 6' ***mini-billboards*** were created. Originally hoping to receive 50 orders for the mini-billboards, MPSC ended up shipping 230 of the FREE billboards to communities and recyclers throughout the province. The benefits of producing this quantity of mini-billboards are two-fold. MPSC's price per unit decreased substantially, and this message will continue to be seen in communities small and large all across Manitoba for several years to come.

If You're Not Recycling,
You're Throwing It All Away.
MANITOBA PRODUCT STEWARDSHIP CORPORATION
Supporting Manitoba's Recycling Programs

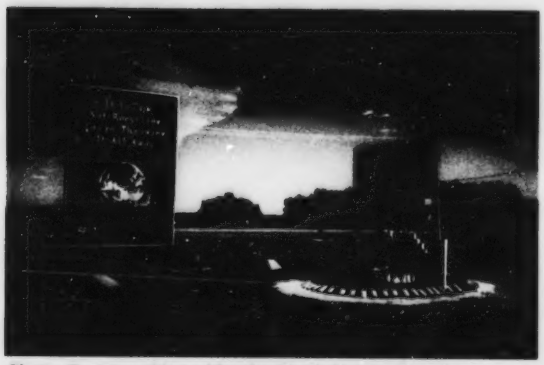
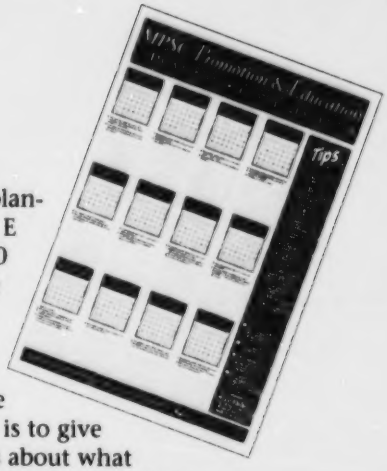


Photo: Courtesy of Lynn Murphy, North Cypress Recycling



To further assist in the planning of community P & E programs, spring of 2000 saw MPSC distribute the ***2000 Promotion & Education Planning Calendar*** to all registered municipalities. The purpose of this calendar is to give regular, visual reminders about what types of P & E activities should take place throughout the year.

In addition to the aforementioned themes, MSPC continued to communicate the effectiveness of tools that have been developed over the past several years. The P & E section of the ***Municipal Handbook*** continued to be an important source for "do it yourself" community P & E. More communities than ever before held community presentations, displays and open houses last year, as was proven in the increased borrowing of the two ***Recycled Products Displays***. MPSC's ***Video Library*** continued to be well used, with an ever-expanding selection of technical and educational videos for all ages. In addition to videos available for loan, the ***Green File*** series was made available to municipalities and recyclers to use in displays or presentations, or for broadcast on public access channels.

Finally, MPSC's P & E staff made several ***technical visits*** to communities, in order to provide hands on P & E help and to gain insight into what P & E practices are taking place around the province. P & E support continued to be ongoing and accessible for participating communities and recyclers, through one-on-one support, telephone support, and custom and ready made P & E materials.

PROVINCE-WIDE/CONSUMER

MPSC continued to use billboards for broad messages to the general public throughout 1999/2000, but with a slightly different focus. Previous years have seen a great variety of billboards produced, which certainly served the purpose of spreading positive recycling messages. However, it was noted that certain messages were more effective than others, and so those messages should continue to be used, rather than creating new ones each year.

As mentioned in the Local/Municipal section, the message "If You're Not Recycling, You're Throwing It All Away" was a new message seen on billboards, Manitoba-wide, in the summer and fall of 1999. Both the design of hands holding a globe, and the text of this billboard, contributed to make it widely noticed, accepted and enjoyed. The demand for posters and mini versions of this billboard attest to its popularity.

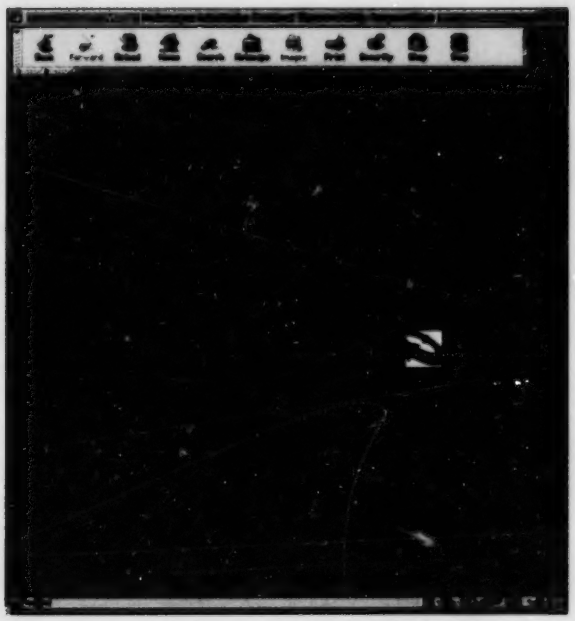
While spring of 1999 resurrected the "Stash Your Trash — Don't Litter" litter abatement message, spring of 2000 saw our annual anti-litter

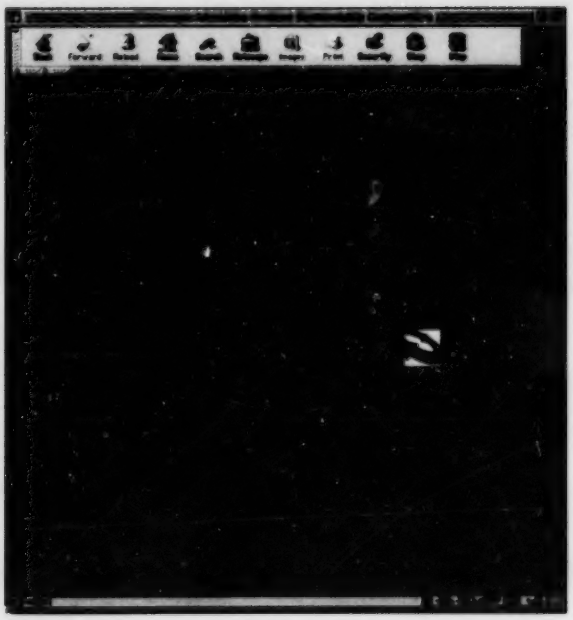
campaign use a "recycled" message. ***Keep Manitoba Beautiful***, developed by MPSC and first used in Winnipeg during the Pan Am Games, was shown on billboards province-wide.

For only the second time, 1999/2000 saw MPSC use widespread ***newspaper advertising*** to tout our message. With the headline "It's Time to Celebrate the Good News...," Manitobans could read about the success of community recycling, the benefits it has reaped and about some of MPSC's other programs, also.

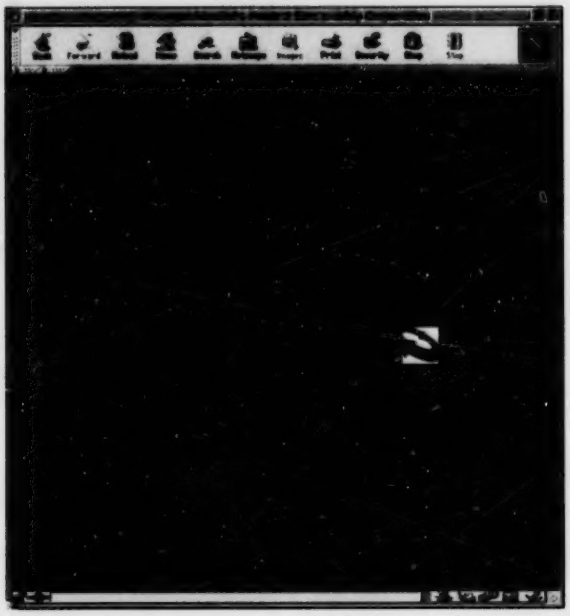
A series of ***Public Service Announcements*** based on previous advertising campaigns was created for placement in newspapers across the province, and an ***MPSC "Fact Sheet"*** was created as a means of providing a one-page general information piece about MPSC and its programs.

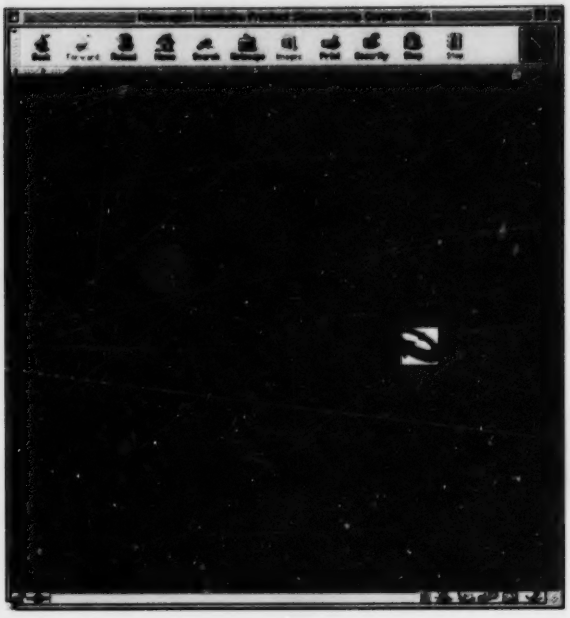
Work began on the long awaited ***MPSC corporate website***, at ***www.mpsc.com***, with completion expected in spring 2000.





The MPSC homepage changes each time a viewer logs on.





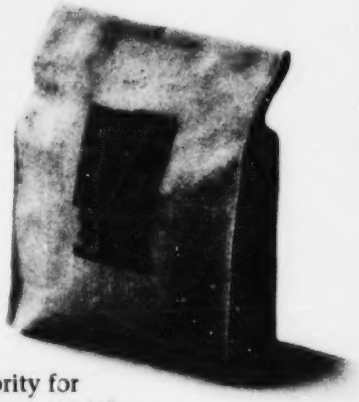
SCHOOLS

1999/2000 continued to be busy and successful for the ***STAR Program***, as it saw well over 600 schools register for STAR.

In spring of 1999, the first annual ***STAR Poster Contest*** was held for K-Sr. 4 students across the province. Over 140 posters were received in the MPSC office for judging. Six 1st place winners were chosen; their posters were reproduced and distributed to every school in Manitoba, in September 1999. Winners also received a T-shirt with their original poster design imprinted on it, and all winning posters were displayed on MPSC's educational website at ***www.virtualrecycling.com***.

Also new for 1999, the ***STAR Newsletter*** was created. Three issues were distributed to each school in the province. This newsletter contains timely information about the STAR Program as well as other environmental school programs that are in existence throughout Manitoba. Each issue also highlights a school that is doing a particularly good job of recycling. The purpose of the STAR Newsletter is to maintain contact with teachers and students throughout the school year, deal with issues that may arise, and decrease the amount of letters and faxes sent to schools by having all information in one source.

Support materials continued to be an important part of the STAR Program. In addition to the Poster Contest posters that each school received, STAR bookmarks, badges and the "Your Questions Answered" handbook continued to be in demand with teachers and students. The introduction of a ***preschool-Grade 2 colouring book*** filled a gap for younger students. A reusable ***STAR lunchbag*** was created for special events and as an award item for schools who wish to recognize students who put forth an extra effort in their school recycling program. The Recycled Products displays and Video Library were accessible to teachers who wished to borrow them.



Making the STAR program simple and accessible to teachers is a high priority for MPSC. "Paperless" registrations can take place online through ***www.virtualrecycling.com***,

or via fax or mail if preferred. All support materials are found on the ***STAR Order Form***, which is distributed to each school in September of each year, and toll-free telephone support is available, also.

The ***Virtual Recycling*** website at ***www.virtualrecycling.com*** continued to be a source of environmental education for teachers and students throughout Manitoba. The number of users of the site increased dramatically during 1999/2000, due to several factors. First, the presence of the winning posters from the STAR Poster Contest added some fun and colour to the site. Second, the online registration form was a popular and efficient way for teachers to quickly register for the program. Finally, MPSC continued to encourage use of the site in classrooms to explain and educate about recycling from a Manitoba perspective.

The success of the 1st year of Resource Conservation Manitoba's ***Environmental Speakers Bureau*** dictated that MPSC continue to financially support the program for another year. During the 1999/2000 school year, environmental speakers continued to be in high demand for Winnipeg area schools. The ESB continued to design new presentations, train volunteer presenters and create and distribute all support material and teaching materials. Recognizing the need for rural Manitoba support also, the ESB began preparations for a speaker's package for distribution outside of Winnipeg. French presentations are also being introduced into the ESB portfolio, and a number of new activities and craft ideas were incorporated into the teachers kits.

MPSC completed its second year of a two-year sponsorship agreement with ***Green Kids Inc.***, in October of 1999.

In September 1999 MPSC launched the ***STAR Plus*** Program for post-secondary institutions in Manitoba. STAR Plus provides direct funding to post-secondary institutions to recycle MPSC eligible materials. In October 1999 a training session was held at Red River Community College for all participating institutions. Attendees were given a presentation on P & E basics, proper signage, planning an education program, and how to promote recycling to the campus community.

STAR STATISTICS

STAR (Student Action for Recycling) Program registrants totalled 608 for the 1999/2000 fiscal year, an increase of 7% over the previous year. This means that 68% of all K-Sr. 4 schools in Manitoba participated in the STAR Program. School registration continues to increase yearly as more schools become aware of the program.

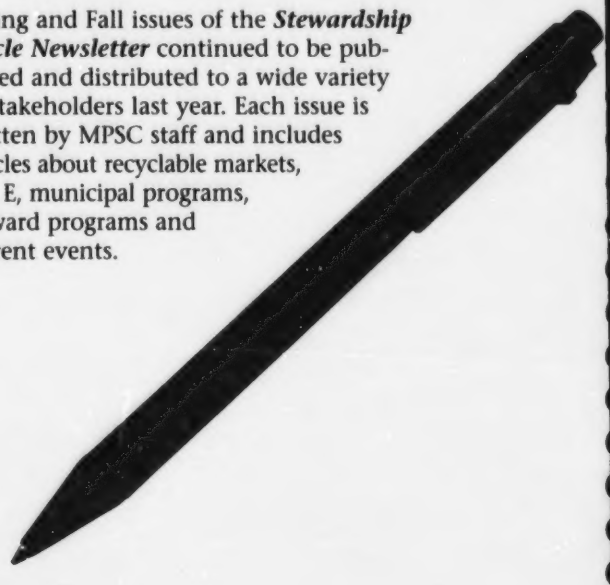
Each year, schools must fill out a questionnaire detailing their school recycling programs and how they spent the previous year's STAR funds. This questionnaire is also the registration form for the next school year.

Last year, schools were asked to weigh the amount of material recycled through their school recycling programs. This was not a condition of funding. Approximately 25% of the schools registering reported weights. The reason for asking for weights was to get schools accustomed to weighing their materials, and using the numbers as a benchmark for their own performance.

Total Schools reporting weights	–	155 out of 608
Total weights reported	–	23,441 kgs
Average weight per school	–	151 kgs/school

OTHER STAKEHOLDERS

Spring and Fall issues of the ***Stewardship Circle Newsletter*** continued to be published and distributed to a wide variety of stakeholders last year. Each issue is written by MPSC staff and includes articles about recyclable markets, P & E, municipal programs, steward programs and current events.



Recognizing the need for more promotional items last year, MPSC began stocking ***recycled paper pens*** imprinted with our logo, and natural cotton canvas ***tote bags*** printed with the message "Use Less/Live More". These items have proven to be popular with all of our audiences.

PLANS FOR 2000/2001

Local/Municipal

- In spring 2000, a comprehensive P & E survey will be distributed to registered municipalities to update information last gathered in 1997.
- Free, custom-made magnets, decals and envelope inserts will be created with municipal recycling program contact information. MPSC will design, contract and distribute these items to municipalities throughout the year.
- An increased distribution of timely information will take place for municipalities and processors. This information will include quarterly P & E updates, inserts in municipal payments and newspaper article outlines.
- Regional Meetings will take place throughout the year with a designated P & E section in each. Fall Training Sessions will include an in-depth P & E presentation and will showcase new P & E materials and assistance available.
- One-on-one technical P & E visits will take place as required.
- The results of a survey entitled "Municipal Perceptions on Community Recycling," a partnership between MPSC and the Association of Manitoba Municipalities, will be analysed and used to assist with future P & E initiatives.

Province-Wide/Consumer

- Work will begin on a retail information sheet for distribution to retail outlets.
- Continued recycling and waste reduction messaging will take place, however the focus may shift from outdoor advertising (ex. billboards) to other media, primarily television and print advertising.

Schools

- The STAR newsletter will again be distributed 3 times.
- The 2nd Annual STAR Poster Contest will take place. Changes to the poster contest will include a participation certificate for schools, a sheet of stickers for each student who participates and a framed poster for 1st place winners. Mass reproduction and distribution of winning posters won't take place, however all winning posters will be displayed on ***www.virtualrecycling.com***.
- An extensive overhaul of the Virtual Recycler website will take place to improve navigation and streamline the website.
- A video contest for high school students will be introduced.
- The "Your Questions Answered" Handbook will be rewritten and updated.
- A STAR Plus handbook will be created.
- The Environmental Speakers Bureau will be continued for another year.

Other Stakeholders

- A spring and fall issue of the Stewardship Circle newsletter will be distributed.
- MPSC's corporate website will be launched.

Marketing and Technical Support

Municipal recycling in Manitoba enjoyed a humble start approximately 10 years ago. Many of today's successful recycling programs owe their existence to groups of forward thinking, caring and dedicated volunteers and municipal officials. Much of what we have accomplished, we owe to these recycling pioneers.

Manitobans can look back positively at recycling in our province over this past year. One reason is that the overall capture rate of MPSC eligible materials is over 40%. Rural Manitoba again led the way with the highest percentage increase in recovery. Based on information the MPSC collected about commercial recycling, we now know that approximately 50% of all eligible MPSC materials are recycled. Another reason is that revenue for recyclables responded favourably as a result of strong economic demand in Canada, the U.S. and Asia.

On the negative side we have seen some landfill disposal fees decrease in Manitoba over the past year. Inexpensive disposal rates can adversely effect recycling programs over the long-term. Only time will tell how this will effect recycling in Manitoba.

Manitobans are recycling more now than has ever been recorded. Collectively we have overcome many recycling challenges in the last ten years. Some may argue that the blue box is still half-empty, as opposed to half-full. By working together we can seize the opportunity in front of us to capture the other "half" of the blue box. After all, capturing the first half taught us many things that should make the next 50% easier. Using the knowledge we have all accumulated over the last 10 years should allow Manitobans to recycle more by working smarter, not harder.

DAVID CRAWFORD
Market and Technical Services Manager

ACCOMPLISHMENTS IN 1999/2000

Direct Municipal Technical Assistance

From Birtle in the west, to Pinawa in the east and from Thompson in the north, to Long Plain First Nation in the south the MPSC visited many communities over the past year to provide municipal technical assistance. These visits allow the MPSC to provide detailed and specific information to municipalities. This type of information allows municipal officials, volunteers, recyclers and residents to make better-informed decisions about recycling challenges and opportunities at the local level. Often these local decisions have the biggest effect on recovery rates, accessibility, revenue and costs in recycling programs.

The MPSC works with interested communities to evaluate all aspects of their recycling program, including:

- Collection and collection equipment
- Sorting and sorting equipment
- Baling and material handling equipment
- Recycling facility utilization
- Loading and shipping
- Generation rates and capture rates
- Marketing of recyclables
- Promotion and education

The MPSC acts as a resource for municipalities and their recycling agents. Consistent with the voluntary nature of the MPSC, municipalities ultimately decide the best course of action for their communities.

STAR Plus Program

In September of 1999 the MPSC launched a new program called the *Student Action for Recycling Plus Program*. The MPSC is providing direct funding to post-secondary educational institutions in Manitoba to recycle MPSC

eligible materials. This funding is intended to provide an opportunity to expand recycling at universities and colleges in Manitoba and to allow students, faculty and staff to participate and actively learn about the benefits and economics of recycling.

The specific objectives of the STAR Plus Program are to:

- Decrease the amount of MPSC designated materials going to landfill.
- Reduce the expense post-secondary educational institutions currently incur for removal and disposal of MPSC designated materials.
- Provide the MPSC with measurable feedback about the results and costs of recycling and waste reduction activities at post-secondary institutions in Manitoba.
- Create a learning opportunity for students, faculty and staff through active learning and participation.

The MPSC is pleased to recognize the following post-secondary educational institutions that are actively participating in the STAR Plus Program:

- Assiniboine Community College, Brandon and Dauphin
- Brandon University, Brandon
- College Universitaire de St. Boniface, Winnipeg
- Keewatin Community College, The Pas and Thompson
- Red River College, Winnipeg
- University of Manitoba, Winnipeg
- University of Winnipeg, Winnipeg

The STAR Plus Program held its first workshop in March of 1999 at Red River College. This will be an annual event which will allow all of the STAR Plus participants to meet, learn and exchange ideas.

Revenue Monitoring

The MPSC will continue to monitor the revenue from recycling programs on a monthly basis. The MPSC monitors a "basket of recyclables" that are included in recycling programs across Manitoba. Revenue monitoring allows the MPSC to observe the recyclable commodity market on a regular basis. This ensures that if need be, the MPSC can react to significant movement up or down in commodity prices quickly and effectively. This past year has seen steady growth in the revenue for most recyclables. Some recyclables such as aluminum, newspaper and cardboard are approaching all time revenue records. This substantial one-year increase in revenue could leave one thinking this will be an annual occurrence. Historical evidence indicates otherwise. The recent revenue surge is really part of the normal fluctuation of the recyclable commodity market.

The current value of the MPSC "basket of goods" is approximately $90 to $100 per tonne.

Commercial Recycling Survey

The MPSC commissioned the accounting firm Arthur Andersen LLP, an independent third party, to survey and collect information about the recycling level of MPSC eligible materials in the industrial, commercial and institutional (ICI) sectors in Manitoba. Companies that collect and process recyclables from the ICI sector were contacted and asked to voluntarily report data. The results are worthy of recognition.

ICI Recycling Survey Results: (Tonnes per year)

Fibre: +60,000
Includes cardboard, boxboard, newspaper, magazines and all pre- and post-consumer paper grades.

Beverage and Food Containers: +3,000
Includes glass, aluminum, PET, HDPE, LDPE and household steel containers.

When the Commercial Recycling Survey results are combined with the recyclables collected under the MPSC program, the result indicates that residents and businesses in Manitoba are recycling approximately 100,000 tonnes per year.

Note: *Due to the proprietary nature of the information collected in this survey the MPSC will only release the results of this survey to those companies that participated, in an aggregate form. The MPSC does not possess the individual survey results.*

The MPSC thanks all the companies that voluntarily participated in the commercial recycling survey.

Material Recycling Facility Fire Safety Seminar

In March 2000 the MPSC partnered with the Manitoba Department of Conservation, Canadian Plastics Industry Association, Manitoba Association of Regional Recyclers, Manitoba Office of the Fire Commissioner and the City of Winnipeg Fire Department to host a fire safety seminar. The purpose of this seminar was to educate recycling facility operators about how to avoid accidental fires through the safe handling and storage of recyclables.

XIII Pan American Games: Winnipeg 1999

For the first time in history the Pan Am Games instituted an environment program. One of the program's components was a comprehensive recycling program. The MPSC provided financial and technical assistance to help the Pan Am Games meet their recycling commitments. MPSC assisted the Pan Am Games management and environment committee to evaluate, design and implement a waste reduction, recycling and management program. The recycling program collected plastic and aluminum beverage containers, cardboard, office paper and newspaper. More importantly the environment program also educated all spectators about how to participate, the benefits of recycling and asked them not to litter.

XIII Pan Am Games
Winnipeg '99

Did You Know... The Pan Am Games Recycling Program:

- **Captured over 3,000,000 beverage containers**
- **Diverted 50 tonnes of cardboard, office paper and newspaper from landfill**
- **Saved $3,000 in disposal fees**
- **Generated over $30,000 in revenue from the sale of recyclables**
- **Helped to educate Manitobans about the benefits of recycling and litter abatement**

The MPSC thanks all the Pan Am Games Environment Volunteers and the Manitoba Hydro Clean Team for their assistance in making the environment program a success.

TECHNICAL PROJECTS AND AFFILIATIONS

Solid Waste Association of North America (SWANA)

MPSC is active in SWANA in various capacities, including:

- MPSC's General Manager is a Board member of SWANA's Prairie Chapter
- MPSC's Market and Technical Services Manager completed the requirements for the Certified Recycling Manager in 1999. SWANA awards this designation to professionals in the recycling field only after they complete a rigorous educational program.
- MPSC School Programs received a bronze award in the School Curricula Category of the SWANA Excellence in Solid Waste Awards.

MPSC's involvement with SWANA is part of an ongoing commitment by the MPSC to bring best practices to recycling programs in Manitoba.

Environmental Analysis of Municipal Recycling Programs

In February MPSC staff attended a training seminar for newly developed software which can calculate the net environmental benefits of municipal recycling programs. This software was developed by Corporations Supporting Recycling (CSR) and the Environment and Plastics Council (EPIC). This type of net environmental analysis of recycling programs may serve as a complement to traditional decision making tools. MPSC will assist municipalities with this tool upon request.

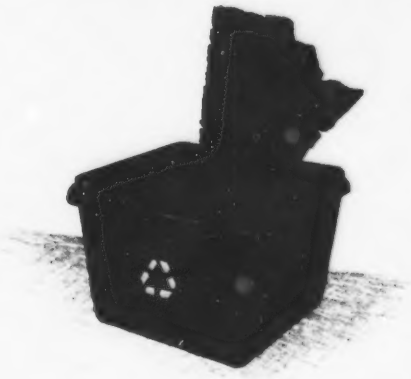
Generally Accepted Principles for Calculating Municipal Solid Waste System Flow Task Force

The MPSC is an active member of a task force that is developing a standard methodology for the measurement of residential waste diversion in Canada. The goal of this task force is to allow municipalities to have access to a common reporting framework, which could be used across Canada to report waste generation, diversion and disposal. The MPSC will continue to participate in this ongoing process.

PLANS FOR 2000/2001

Regional Recycling Meetings

As of May 2000 the MPSC will provide ongoing regional recycling meetings. The object of the regional meetings is to answer specific questions about the practical, day-to-day aspects of operating municipal recycling programs in Manitoba. The content of the regional meetings will be based upon attendees responses to questionnaires sent out prior to the meetings. This approach will allow interested municipalities and recyclers to interact with the MPSC, and their peers, closer to home. The main areas of discussion at the meetings will be based on:



- Promotion and education
- Collection alternatives
- Processing options
- Markets and marketing
- Effective shipping and transport of recyclables

The MPSC will continue to have annual workshops in the fall of each year.

Northern and First Nations Communities

The MPSC will continue to consult with stakeholders in Northern Manitoba throughout 2000 and 2001. This will allow the MPSC to examine opportunities to increase recycling, and to develop a better understanding of the operational and logistical challenges unique to the North.

Recycling Markets Directory

The first edition of this directory was published in 1999. Some potential new end-markets have emerged in the last 12 months. The MPSC will update the directory so that municipalities and recyclers are aware of all the possible end-markets for their recyclables.

Public Space and Special Event Recycling

Almost all Manitobans have access to residential recycling, and the MPSC is investigating options for expanding upon the success of both its residential and school programs. To do this the MPSC is actively communicating with a variety of stakeholders that have a direct interest in waste reduction, recycling and litter abatement in public areas and at special events in Manitoba.

Stewards Programs

STEWARDS OF DESIGNATED MATERIALS

During the 1999/2000 Program Year seventy-four companies were licensed with the MPSC as Product Stewards to supply beverage containers in Manitoba. The number of companies Licensed as Product Stewards was down from the eighty-eight the previous year. This decrease is attributable to a number of factors facing today's marketplace. The past year witnessed a number of large companies streamlining administration functions by assimilating divisions or offices. Market competitiveness also attributed to the decrease in Product Stewards in the forms of company buyouts and bankruptcies.

While the number of licensed Product Stewards decreased during the 2000 MPSC Year this did not have an adverse affect on the amount of 2 cent WRAP Levies being remitted to the MPSC. Approximately $6.6 M in 2 cent WRAP Levies was remitted to the MPSC during 1999/2000, which is roughly equivalent to the sales of non-deposit, ready-to-serve beverage containers in comparison to the prior year. *(Figures are based on numbers before accrual for late reporting of levies and provisions under the MPSC Credit Program.)*

WRAP LEVY CREDIT PROGRAM

The Credit Program area of the MPSC is a mechanism whereby Licensed Product Stewards may apply for reimbursement of WRAP Levies for such things as Out of Province sales of applicable materials, double remittance on applicable materials, over remittances and so on.

During the 1999/2000 Program year just over $350,000 was paid out to qualified companies under the credit program. This amount represents around a 3-fold increase in credit amounts issued, as compared to the 1999 program year. This large increase is mainly attributable to two large credits issued during the 2000 MPSC Program Year. One being the culmination of an outstanding credit claim dating back to the inception of the 2 cent WRAP Levy (January 1, 1995). While the second large credit issued was due to a remittance error on the part of the Product Steward. With these factors in perspective the Credit Program payouts for the year increased by about 17% in comparison with the previous program year. *(Figures are based on numbers before accrual for late reporting of levies and provisions under the MPSC Credit Program.)*

2000 STEWARD PROGRAM ACTIVITIES

The 2000 Program year saw the continuation of upgrading and streamlining of the techniques and systems used by the MPSC for the administering and monitoring of the Product Steward Program areas. The main Steward Program operations, Product Stewards Beverage Container sales reporting, compliance/enforcement, credit program area proceeded in the 2000 Program year.

The Compliance/Enforcement area includes Compliance Review procedures and periodic in-store monitoring. Compliance Review procedures are performed on a rotating schedule and may take the form of desk, field or forensic review. All compliance review procedures are performed by an independent, 3rd-party organization to maintain confidentiality of sensitive sales information. During the 2000 program year the Compliance Review program area progressed with the review of 18 product stewards. By all accounts there were no instances of non-compliance discovered during these procedures.

NEXT YEAR'S FOCUS

Production of the next MPSC 3-Year Business Plan is the main focus for the upcoming year. Beyond this the emphasis will be on continuous improvement of practices and procedures employed in the Stewards Program areas of MPSC.

M121

IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

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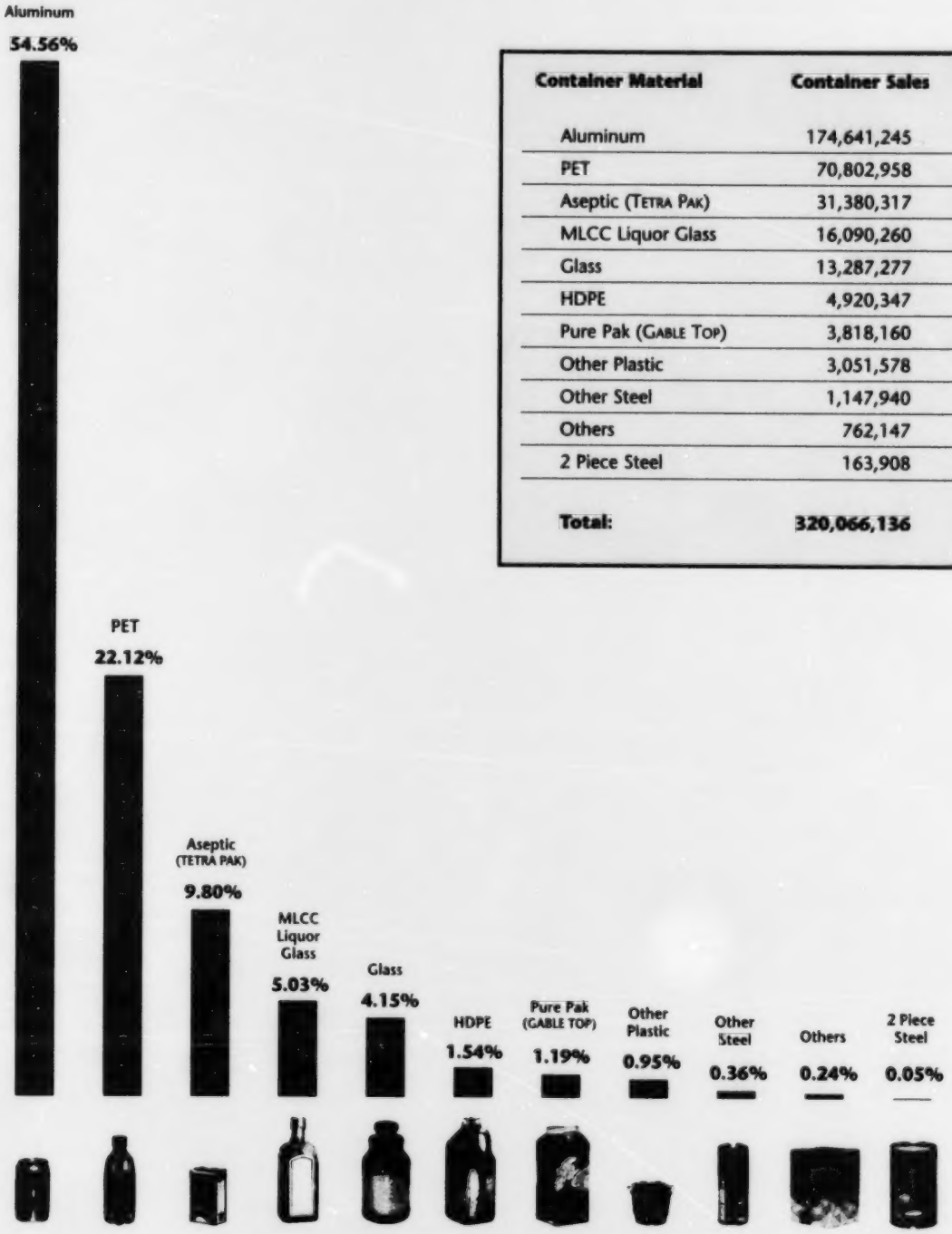
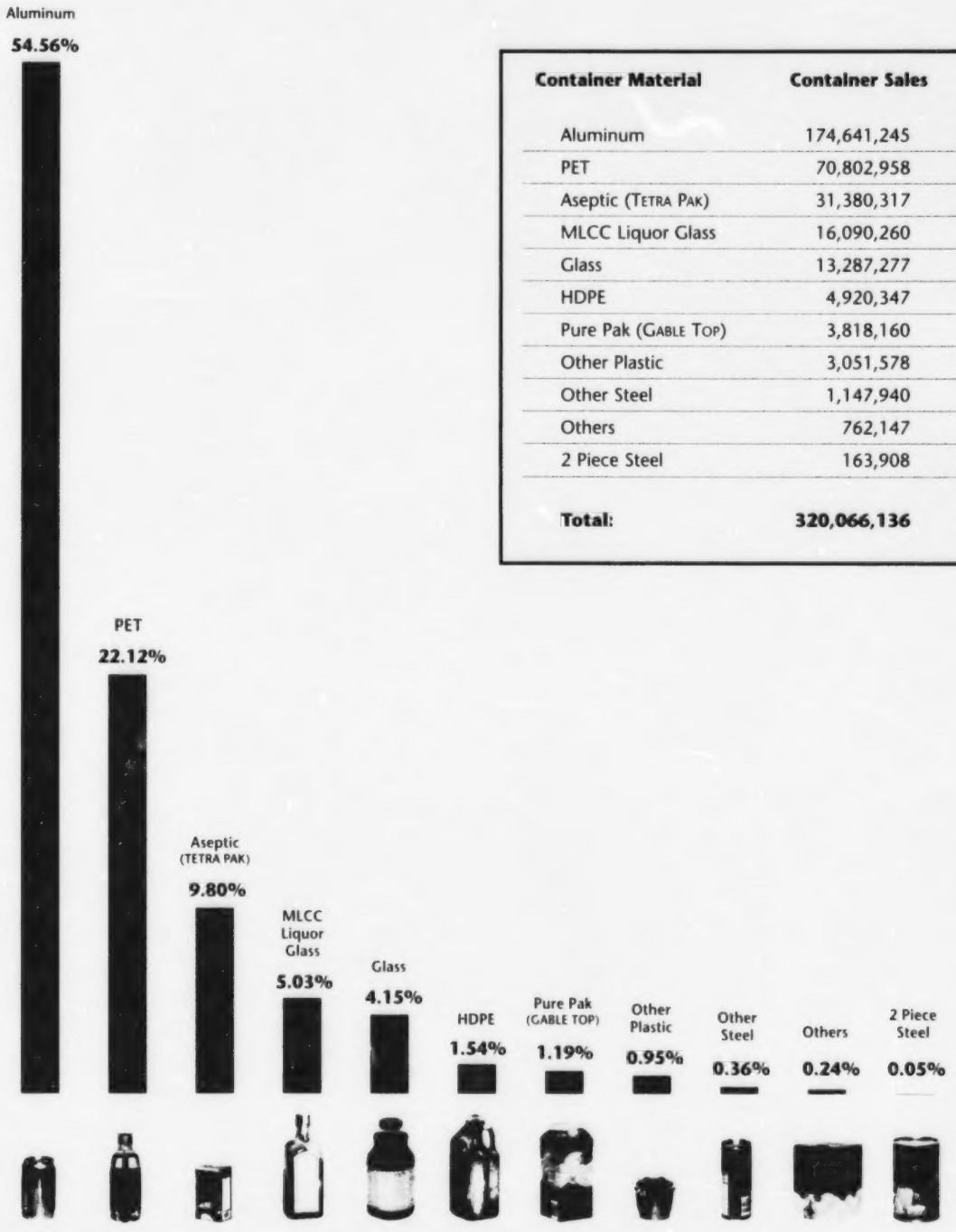
Chart 5 — Container Sales (1999-2000 Fiscal Yr.)



Container Material	Container Sales
Aluminum	174,641,245
PET	70,802,958
Aseptic (TETRA PAK)	31,380,317
MLCC Liquor Glass	16,090,260
Glass	13,287,277
HDPE	4,920,347
Pure Pak (GABLE TOP)	3,818,160
Other Plastic	3,051,578
Other Steel	1,147,940
Others	762,147
2 Piece Steel	163,908
Total:	**320,066,136**

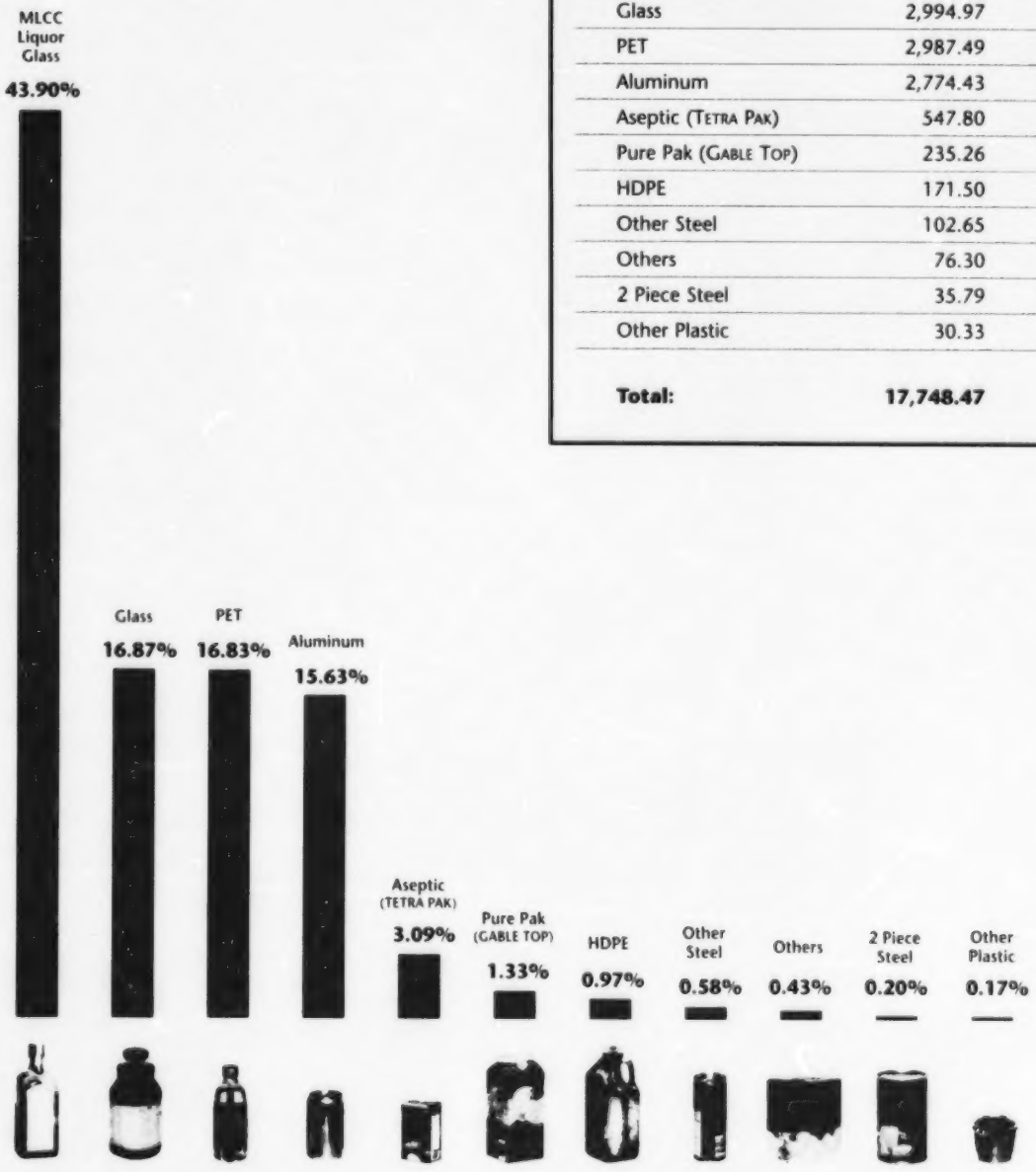
Chart 5 — Container Sales (1999-2000 Fiscal Yr.)



Container Material	Container Sales
Aluminum	174,641,245
PET	70,802,958
Aseptic (Tetra Pak)	31,380,317
MLCC Liquor Glass	16,090,260
Glass	13,287,277
HDPE	4,920,347
Pure Pak (Gable Top)	3,818,160
Other Plastic	3,051,578
Other Steel	1,147,940
Others	762,147
2 Piece Steel	163,908
Total:	**320,066,136**

Chart 6 — Weight of Containers Sold (Metric Tonnes, 1999-2000 Fiscal Yr.)

Container Material	Container Weight
MLCC Liquor Glass	7,791.96
Glass	2,994.97
PET	2,987.49
Aluminum	2,774.43
Aseptic (TETRA PAK)	547.80
Pure Pak (GABLE TOP)	235.26
HDPE	171.50
Other Steel	102.65
Others	76.30
2 Piece Steel	35.79
Other Plastic	30.33
Total:	**17,748.47**



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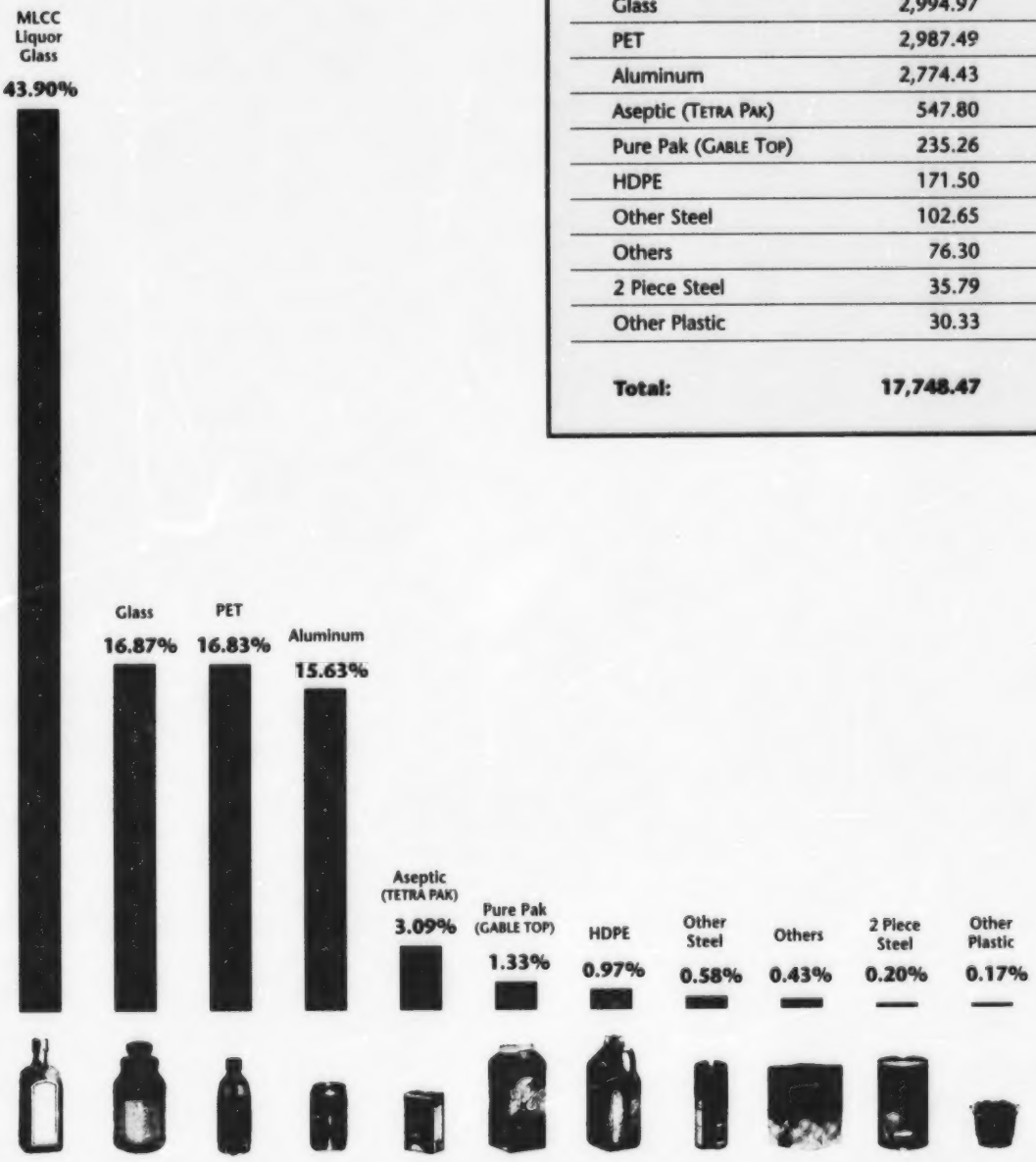

FINANCIAL STATEMENTS

MARCH 31, 2000 AND 1999

Together with Auditors' Report

AUDITORS' REPORT

To the Board of Directors of
Manitoba Product Stewardship Corporation:

We have audited the balance sheets of MANITOBA PRODUCT STEWARDSHIP CORPORATION as at March 31, 2000 and 1999 and the statements of operations and fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Arthur Andersen LLP

Winnipeg, Manitoba
June 6, 2000

MANITOBA PRODUCT STEWARDSHIP CORPORATION
BALANCE SHEETS
MARCH 31, 2000 AND 1999

ASSETS	2000	1999
CURRENT ASSETS		
Cash and term deposits (Note 2)	$7,215,510	$7,138,056
Interest receivable	47,247	33,259
Levies receivable	602,310	571,131
PST rebate receivable (Note 3)	80,000	177,946
Prepaid expenses and deposits	8,635	7,784
	7,953,702	7,928,176
FURNITURE AND EQUIPMENT (Note 4)	69,876	45,747
	$8,023,578	$7,973,923

LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	$192,880	$311,598
Recycling support payments payable	637,941	626,312
Provision for credits on levy revenue	42,914	198,500
	873,735	1,136,410
FUND BALANCE		
Multi-Material WRAP Fund (Note 1)	7,149,843	6,837,513
	$8,023,578	$7,973,923

Approved on behalf of the Board:

Director

Director

The accompanying notes are an integral part of these financial statements.

MANITOBA PRODUCT STEWARDSHIP CORPORATION
STATEMENTS OF OPERATIONS AND FUND BALANCE
FOR THE YEARS ENDED MARCH 31, 2000 AND 1999

	2000	1999
REVENUE		
Beverage levy revenue	$6,583,962	$6,548,584
Levy rebates	(146,210)	(75,689)
Other levy revenue	43,500	-
PST rebate - Province of Manitoba (Note 3)	369,376	387,081
Interest (Note 2)	341,727	343,245
TOTAL REVENUE	7,192,355	7,203,221
PROGRAM EXPENSES		
MUNICIPAL PROGRAMS		
Recycling Support Payments to municipalities	4,683,581	4,548,166
Municipal support	202,437	238,254
	4,886,018	4,786,420
STEWARD PROGRAMS		
Levy redistribution feasibility analysis	-	3,478
Compliance of WRAP Act	44,352	31,477
	44,352	34,955
SCHOOL EDUCATION		
STAR - school payments	304,000	287,500
STAR Plus program	137,364	-
School education	126,387	140,208
	567,751	427,708
PROGRAM PROMOTION		
Program Promotion/Sponsorship	83,855	69,317
Program advertising	429,090	618,778
Anti-litter campaign	117,503	108,185
Public space recycling	11,611	-
MPSC - Corporate Website	4,751	-
	646,810	796,280
PAN AM GAMES (NOTE 6)	69,814	251,313
TOTAL PROGRAM EXPENSES	6,214,745	6,296,676

Statements of Operations and Fund Balance (continued)

	2000	1999
ADMINISTRATIVE EXPENSES		
Board members' expenses	4,936	1,958
Board planning seminar	15,975	-
Communication	23,054	22,299
Conference expenses	12,304	10,507
Contract financial management	35,952	37,022
Depreciation	53,458	27,448
Equipment, leasing, repairs and maintenance	27,988	21,452
Insurance	4,905	4,554
Office	65,805	38,963
Professional fees	15,210	15,799
Promotion	3,647	3,102
Rent (Note 5)	40,042	39,883
Salaries, wages and benefits	340,111	314,822
Subscriptions	10,899	8,419
Travel and automotive	10,994	10,076
TOTAL ADMINISTRATIVE EXPENSES	665,280	556,304
EXCESS OF REVENUE OVER EXPENSES	312,330	350,241
FUND BALANCE, beginning of year	6,837,513	6,487,272
FUND BALANCE, end of year	$7,149,843	$6,837,513

The accompanying notes are an integral part of these financial statements.

MANITOBA PRODUCT STEWARDSHIP CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2000 AND 1999

	2000	1999
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	$312,330	$350,241
Item not affecting cash		
Depreciation	53,458	27,448
	365,788	377,689
Net change in non-cash operating assets and liabilities		
Interest receivable	(13,988)	(4,822)
Levies receivable	(31,179)	4,312
PST rebate receivable	97,946	(8,730)
Prepaid expenses and deposits	(851)	3,774
Accounts payable and accrued liabilities	(118,718)	255,701
Recycling support payments payable	11,629	(165,650)
Provision for credits on levy revenue	(155,586)	-
	155,041	462,274
INVESTING ACTIVITIES		
Purchase of furniture and equipment, net	(77,587)	(25,122)
INCREASE IN CASH	77,454	437,152
CASH AND TERM DEPOSITS, beginning of year	7,138,056	6,700,904
CASH AND TERM DEPOSITS, end of year	$7,215,510	$7,138,056

The accompanying notes are an integral part of these financial statements.

MANITOBA PRODUCT STEWARDSHIP CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2000 AND 1999

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Manitoba Product Stewardship Corporation ("MPSC") was established under the Waste Reduction and Prevention Act ("WRAP") - Multi-Material Stewardship (Interim Measures) Regulations (the "Regulations") with the following objectives:

a) to establish and administer a waste reduction and prevention program for designated materials for Manitoba;
b) to provide for the effective, efficient and economical management of waste designated materials; and
c) to administer the Multi-Material WRAP Fund.

The Multi-Material WRAP Fund is an industry-operated fund which provides for, among other initiatives, recycling support payments to municipal and local governments for eligible materials recovered from residential waste and delivered to an approved recycling facility. The Fund is currently funded by collection of levies on beverage containers supplied by a steward of beverage containers (Product Steward) to be consumed in Manitoba. MPSC plans to collect levies on other designated materials in the future.

Levy Revenue and Recycling Support Payments to Municipalities

Levy revenue is charged on all non-deposit (excluding dairy) beverage containers supplied for consumption in Manitoba, subject to certain exemptions, by a Product Steward. Pursuant to the Regulations, a Product Steward is defined as the first person or business in Manitoba who, in the course of business, supplies beverages in containers to another person or business. Beverage levy revenue is recognized when the amount is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Product Stewards are eligible for credits if the beverage containers on which levies have been previously paid were supplied to consumers outside of Manitoba or if the levies were inadvertently paid by two Product Stewards on the same beverage containers. Levies are collected and credits are paid based on self-assessments as reported by Product Stewards. MPSC records beverage levy revenue, net of a provision for estimated credits.

Recycling Support Payments to Municipalities are paid to registered Manitoba municipalities based on the tonnage of eligible materials delivered to an approved recycling facility as reported by the municipalities to MPSC. MPSC records a provision for estimated recycling support payments payable to registered municipalities who have not yet filed their recycling reports.

The above-noted provisions have been determined based on the results of MPSC's periodic compliance reviews of Product Stewards as well as management's experience and industry knowledge.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Furniture and Equipment

Furniture and equipment are recorded at cost less accumulated depreciation. Depreciation is provided for by the following annual rates and methods:

Computer hardware	30%	declining balance
Computer software	100%	straight-line
Furniture and fixtures	20%	declining balance

Measurement Uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. CASH AND TERM DEPOSITS

Included in cash and term deposits are term deposits held in trust by the Department of Finance of the Province of Manitoba. The term deposits bear interest at 5.05 to 5.35% (1999 – 4.85%) per annum and mature on April 25, 2000 to August 15, 2000.

3. PST REBATE RECEIVABLE

The Province of Manitoba, through the Department of Environment, provides a grant to MPSC based on the provincial sales tax (PST) collected by the Province with respect to the WRAP levy on beverage containers. The PST rebate receivable is accrued based on claims filed and an estimated claim for the quarter ended March 31 of the respective year.

4. FURNITURE AND EQUIPMENT

	2000			1999
	Cost	Accumulated Depreciation	Net	Net
Computer hardware	$77,335	$47,896	$29,439	$23,675
Computer software	110,430	79,632	30,798	10,846
Furniture and fixtures	18,947	9,308	9,639	11,226
	$206,712	$136,836	$69,876	$45,747

5. LEASE COMMITMENTS

MPSC rents office space and equipment under various leases which expire in 2001 through 2004. Future minimum lease payments required are as follows:

2001	$67,626
2002	$28,546
2003	$21,494
2004	$750

6. PAN AM GAMES

During fiscal 1999, the Board of Directors approved funding commitments of $250,000 for sponsorship and funding of the recycling program of the Pan Am Games. Accordingly, this amount was expensed and accrued as at March 31, 1999. During fiscal 2000 the commitment was paid.

7. LITIGATION

In 1998, MPSC was named as one of the defendants in a claim filed by Red Box Recycling Inc. relating to alleged losses suffered by it as a result of the transition from a commercial to a municipal-funded recycling program. Management believes this claim is without merit.

BOARD OF DIRECTORS & STAFF (at time of publication)

Board

Norman B. Brandson (Chair)	Manitoba Conservation
Gerry Dorge (Vice-Chair)	Publishing/Printing Industry
Vern Dyck (Secretary-Treasurer)	Retail Sector
Alexa Campbell	Consumer Association of Canada
J. Dan McInnis	City of Winnipeg
Ron Bell	Association of Manitoba Municipalities
Steven Lupky	Association of Manitoba Municipalities
Jane MacKay	Beverage Industry
to be appointed	—
to be appointed	—

Staff

Jim Fogg	General Manager
Michael Fernandes	Municipal Programs Manager
Darryl Nicholson	Steward Programs
Lynne Bereza	Promotion & Education Co-ordinator
Nikki Borkofski	Municipal Systems Co-ordinator
David Crawford	Market and Technical Services Manager
Nathalie Balcaen	Administrative Assistant
Andrea Swain	Research & Technical Support Assistant

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MANITOBA
PRODUCT STEWARDSHIP
CORPORATION

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